

**EFFECT OF MICRO-FINANCE ON EMPOWERMENT OF RURAL WOMEN: A  
CASE STUDY OF GRAMEEN KOOTA AT BANGALORE**

**THESIS**

**SUBMITTED FOR THE AWARD OF THE DEGREE OF**

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## **DECLARATION**

I do hereby declare that the thesis titled “Effect of Micro-finance on Empowerment of Rural Women. A case study of Grameen Koota at Bangalore submitted to the Faculty of Management Studies and Research, Aligarh Muslim University, in partial fulfillment of the requirements for the award of the degree of Ph.D. (Business Administration) is a record of original work done by me during period of my study under the supervision and guidance of Dr. Javaid Akhter, Professor & Former Dean, Department of Business Administration, Aligarh Muslim University, Aligarh (Internal Supervisor) and Dr. Tripti Desai Pande ( External Supervisor) and it has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title to any candidate of any University.

Place : Aligarh

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## **ABBREVIATIONS and SYMBOLS**

<b>SHG's</b>	<b>Self Help Groups</b>
<b>CGAP</b>	<b>Consultative Group to Assist the Poor</b>
<b>SEWA</b>	<b>Self-Employed</b>
<b>NCR</b>	<b>National Capital Region</b>
<b>IMR</b>	<b>Infant Mortality Rate</b>
<b>MMR</b>	<b>Maternity Mortality Rate</b>
<b>AMM</b>	<b>Annapurna Mahila Mandal</b>
<b>ICTs</b>	<b>Information of Communication and Technology</b>
<b>NGO</b>	<b>Non-Governmental Organisation</b>
<b>DCS</b>	<b>District Cooperative Milk Producers Union Ltd.</b>
<b>BRAC</b>	<b>Bangladesh Rural Advancement Committee</b>
<b>OLS</b>	<b>Ordinary Least Square</b>
<b>GK</b>	<b>Grameen Koota</b>
<b>GF SPL</b>	<b>Grameen Financial Services Pvt. Ltd.</b>
<b>NBFC</b>	<b>Non-Banking Financial Corporation</b>
<b>MFIs</b>	<b>Micro-Finance Institutions</b>
<b>ICRA</b>	<b>Investment Information and Credit Rating Agency of India Limited.</b>
<b>AP</b>	<b>Andhra Pradesh</b>
<b>ME</b>	<b>Middle East</b>
<b>ANOVA</b>	<b>Analysis Of Variance</b>
<b>EL</b>	<b>Emergency Loan</b>
<b>PRI</b>	<b>Panchayati Raj Institutions</b>
<b>GDI</b>	<b>Gender Development Indices</b>

# ABSTRACT

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## INTRODUCTION

Microfinance started way back in the middle of 1800's when the theorist Lysander Spooner was writing over the benefits of small credits to entrepreneurs and farmers as a way of getting the people out of poverty. But at the end of World War II with the Marshall plan the concept of Microfinance had a big impact. The today use of Micro financing has its roots in 1970s when organizations such as Grameen Bank of Bangladesh with the Microfinance pioneer Mohammed Yunus started shaping the modern industry of Micro financing. Mohammed Yunus, winner of Nobel Peace Prize, is a pioneer in microfinance and has found Grameen Bank. He reached the poorest of the poor and provided them microfinance to uplift them.

Another pioneer in the Microfinance sector is Akthar Hameed Khan, who did loan into underserved people. The main reason why Microfinance is dated in 1970s is that the program could show that people can be relied on to repay their loans. Shore Bank was the first Microfinance and community development bank founded in 1974 in Chicago.

After 1970s many Microfinance institutions as ACCION, Grameen Bank etc. were formed. Before that many institutions were working in many countries but the effect of microfinance was small Post 1970 era to late 1970s. The concept of Micro Finance evolved from the beginning of 20th century. Many credit groups were operating in many countries for several years e.g., "chit fund". (India), "tontines" (West Africa), "susus: (Ghana), "pasanaker" (Bolivia) etc. During early and mid 1990s various credit institutions had been formed in Europe by some organised poor people from both rural and urban areas. These institutions were named Credit Unions, People's Bank etc. The main aim of these institutions was to provide easy access of credit to poor people who were neglected by big financial institutions and banks. Many committees have been framed by the Govt. including the :-

**Malegam Committee (2011)** which has defined Micro Finance as an economic development tool whose objective is to assist the poor to work with their way out of poverty. It covers a range of services which include, in addition to the provision of credit, many other services such as savings, insurance, money transfers, counseling, etc. The players in the Micro Finance sector can be classified as falling into three main groups:-

- a) The SHG-Bank linkage Model accounting for about 58% of the outstanding loan portfolio
- b) NBFCs accounting for about 34% of the outstanding loan portfolio
- c) Others including trusts, societies, etc, accounting for the balance 8% of the outstanding loan portfolio. Primary Agricultural Co-operative Societies (PACS) numbering 95,663, covering every village in the country, with a combined membership of over 13 crores and loans outstanding of over Rs. 64, 044 Crores as on 31.03.2009 have a much longer history and are under a different regulatory framework. Thrift and credit co-operatives are scattered across the country and there is no centralized information available about them.

It has been seen that women need to be empowered as it helps to gain control over their own lives. Empowerment is a process that fosters power (that is, the capacity to implement) in people for use in their own lives, their communities, and in their society, by acting on issues that they define as important. It is multi-dimensional in that it occurs within sociological, psychological, economic, and other dimensions.

Empowerment also occurs at various levels, such as individual, group, and community. This study aims to understand the effect of microfinance on empowerment of rural women.

## **RESEARCH GAP**

The review of literature has provided great insight into microfinance and empowerment of rural women. However, the following research gaps have been found:

1. Very few studies have evaluated two groups of women (ones who have availed and ones who are yet to avail) and studied the social and economic aspects that affect women empowerment
2. Very few studies have been done to investigate the factors that strengthen women the most and which factors strengthen women empowerment the least.
3. Very few studies have compared the effect of the various factors between women who have availed microfinance facility and women who are yet to avail microfinance facility.

## **RESEARCH OBJECTIVES**

Based on the research gaps identified, following research objectives have been framed:

1. To analyze the social and economic aspects that affect women empowerment.
2. To analyze which factors strengthen women empowerment the most and which factors strengthen women empowerment the least.
3. To compare the effect of the various factors between women who have availed microfinance facility and women who are yet to avail microfinance facility.
4. To suggest strategies to Microfinance institutes to improve their financing schemes to the women customers.

After literature review, research gaps are identified and research objectives have been set. The researcher has formulated the hypotheses based on Research Objectives and have explained the sources of data and sample characteristics.

## **HYPOTHESES**

Hypotheses have been developed on the objectives which are stated above. The hypotheses are categorized based on statistical evaluation applied.

- 1) H0<sub>1</sub>: There is no significant effect of microfinance scheme on women empowerment.
- 2) H0<sub>2</sub>: There is no significant effect of the number of years of micro credit membership on women empowerment.
- 3) H0<sub>3</sub>: There is no significant effect of monthly household expenditure on women empowerment.
- 4) H0<sub>4</sub>: There is no significant effect of the income earning activity in her own business on women empowerment.
- 5) H0<sub>5</sub>: There is no significant effect of the small land holdings on women empowerment.
- 6) H0<sub>6</sub>: There is no significant effect of the age at which the respondent has got married on women empowerment.

## RESEARCH DESIGN

The present research study is descriptive in nature because it is only one of the components of statistical research. In fact descriptive research is usually the first step towards any full-fledged statistical analysis. Kirsch G (1992) says that descriptive research answers the questions of who, what, where, when and how. The objective is to find out the effect of microfinance on empowerment of women in GrameenKoota at Bangalore. The objective is to study the empowerment of women after availing microfinance. It would help us to conclude whether microfinance would strengthen women or not.

The **target population** in the research for quantitative study are the 250 women customers of GrameenKoota who have availed Microfinance in Bangalore and the women customers who have been sanctioned but have not yet disbursed Microfinance. Out of 250 women 190 women have responded. Out of 190 respondents 126 women had availed disbursement of the loan and 64 women were yet to avail disbursement.

## **DATA COLLECTION**

The data was collected by administering the questionnaire by the researcher to 250 women respondents at random. 190 respondents have fully responded. Out of 190 respondents 126 women had availed disbursement of the loan and 64 women were yet to avail disbursement. The researcher had selected 50 branches out of 100 branches of Grameen Koota in Bangalore. The researcher used to go the Kendra meetings and distribute the Questionnaire to the customers of GrameenKoota. The Questionnaire was in both the local language (Kannada) and English.

## **STATISTICAL TECHNIQUES USED**

1. One Sample T-test analysis
2. ANOVA
3. OLS ( Ordinary Least Square)

## **STATISTICAL ANALYSIS & APPLICATION OF STATISTICAL TOOLS**

### **Econometric Analysis**

The relationship between middle of micro credit and women strengthening have been investigated through a cross-sectional sway procedure, alluded to as the control-bunch system. The quantitative information dissection has been conveyed contrasting micro credit borrowers and impending micro credit borrowers utilizing the information accumulated from the survey. To further clarify, both the treatment group and the control group have been accepted into a micro credit program. The difference between the groups is that the treatment group, micro credit borrowers, has received micro credit and the control group, soon-to-be micro credit borrowers, have not received micro credit but are yet to in about to within a couple of weeks. To estimate the effect of micro credit on empowerment this study constructs a multiple linear regression model with the ordinary least squares (OLS) method. The results of ordinary least squares (OLS) analysis applied on the overall sample has been presented. The interpretations



based on the results of hypotheses testing for each measure are stated here. These interpretations have helped us to reach to the conclusion of our findings.

The survey was given to 250 ladies respondents and a sum of 190 ladies responded to the survey completely. Out of the aggregate of 190 respondents only 126 respondents availed microcredit from the company GrameenKoota. 64 of the respondents were sanctioned the loan however they had not yet availed the disbursement of the microcredit which would take few weeks. All these respondents were the clients of GrameenKoota, Bangalore. The study expects to assess the impacts of microcredit on women empowerment. What's more all the respondents are from the same Micro-financing scheme. So no examination has been carried out demonstrating the contrasts in the strengthening of around microfinance organization. Various parameters which have been studied are:-

**Table-4.1 Demographic Profile of Respondents showing various parameters**

Parameter	190 respondents		126 respondents who received microfinance		64 of the respondents who were sanctioned but were yet to be disbursed	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
Age	34.0	10.6	36.1	10.3	29.8	10.1
Monthly Expenditure	10.9	3.8	10.9	3.8	2.4	1.5
Number of Children	2.6	1.3	2.6	1.2	2.4	1.5
Land in Acres	0.3	0.4	0.3	0.4	0.3	0.2
Number of income earners	1.5	0.7	1.6	0.8	0.7	0.5
Education	0.8	0.4	0.8	0.4	0.7	0.5

Table- 4.1 gives the attributes of the specimen for microcredit borrowers and impending micro credit borrowers. Microcredit borrowers have a tendency to be more

seasoned and have a marginally higher month to month use. Additionally, microcredit borrowers have somewhat more pay earners in the family and children contrasted with forthcoming microcredit borrowers. What is not noted in Table-4.1 in regards to demography was that all the respondents were married, separated, or widowed.

Additionally, all the respondents had no less than one child.

Table 4.3-presents the strengthening markers of this study, divided into the four subgroups. The markers are relating to the inquiries on strengthening in the poll. To have the capacity to measure the respondent's explanations for these inquiries a YES is converted to a 1, and a NO is changed to a 0. As such, a respondent given a 1 is seen as more engaged than a respondent given a 0. The expansive picture that rises is that microcredit borrowers are, on normal, more enabled contrasted with impending microcredit borrower. This is seen by means of a higher esteem on every strengthening pointer. Likewise, the dominant part of both microcredit borrowers and impending microcredit borrower show, low strengthening levels in the part of portability, choosing to work outside the home, and area possession. To estimate the effect of micro credit on empowerment this study constructs a multiple linear regression model with the ordinary least squares (OLS) method.

**Table 4.3- Analysis of ( Sub-Groups) various indicators on respondents**

Parameters	190 respondents		126 respondents who received micro credit		64 of the respondents who were accepted for disbursement	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
<b><u>Decision making indicators</u></b>						
Make a small purchase Without consulting husband	0.25	0.43	0.29	0.46	0.16	0.37
Have a say if she can purchase major goods for the household	0.72	0.45	0.76	0.43	0.64	0.48
Have a say if they can work	0.11	0.31	0.14	0.35	0.05	0.21

outside Home						
Have a say in using the loan	0.87	0.34	0.90	0.29	0.80	0.41
Have a say in whether or not to send children to school	0.91	0.29	0.97	0.18	0.78	0.42
<b><u>Ownership indicators</u></b>						
Land in own name	0.04	0.20	0.06	0.23	0.02	0.13
Valuable owned such as jewellery	0.57	0.50	0.59	0.49	0.55	0.50
Have own operated saving account	0.34	0.47	0.50	0.50	0.02	0.13
<b><u>Voice indicators</u></b>						
People in the village listen to ideas and opinions	0.96	0.20	0.98	0.13	0.91	0.29
Comfortable giving opinion to the husband	0.77	0.42	0.82	0.39	0.69	0.47
<b><u>Mobility indicators</u></b>						
Comfortable going to the local market	0.15	0.36	0.17	0.38	0.11	0.31
Comfortable going to the neighboring Village	0.01	0.10	0.02	0.13	0.00	0.00

## MODEL SPECIFICATION

The method of ordinary least squares (OLS) has been used to analyze the data. As mentioned earlier, the aim of this study is evaluate the impact of micro credit on women empowerment. The OLS model suits the purpose well in that a positive effect of micro credit on women empowerment is captured by the coefficient  $\beta_2$ . The null hypotheses is that micro credit has no effect women empowerment. If  $\beta_2$  obtains a significant positive value, it means that the null hypotheses can be rejected and that micro credit has a positive effect on women empowerment. Women empowerment is measured via an empowerment index. The index is built on the empowerment indicators presented earlier, which in turn

are derived from the respondent's answers on the thirteen appropriate empowerment questions in the questionnaire. To be able to measure the respondent's answers to these questions a YES is transformed to a 1 and a NO is transformed to a 0. The values for each of the thirteen empowerment indicators are then summed into an aggregate index with one M point increments from 0 to 13. An individual with a high aggregate empowerment Index empowerment score is considered to be more empowered than an individual with a low aggregate empowerment index score. The OLS model, in its most basic form, only includes the dependent variable empowerment index and the independent variable micro credit borrower. The model is then built up gradually by adding one independent control variable at a time. This is done to derive how the relationship between micro credit and women empowerment changes when independent control variables are added. There are a total of twelve independent variables conducted for in the model. Thus, there are twelve models, where the most comprehensive model includes twelve independent variables. Equation1 below defines the most comprehensive model with all the independent variables.

#### **EQUATION 1:**

$$\text{Empowerment index} = \beta + \beta_1 \text{ Membership} + \beta_2 \text{ Age} + \beta_3 \text{ Micro credit borrower} + \beta_4 \text{ Education} + \beta_5 \text{ Husband's Business} + \beta_6 \text{ Expenditure} + \beta_7 \text{ Years of Micro credit Program} + \beta_8 \text{ Agriculture work} + \beta_9 \text{ Household Landownership} + \beta_{10} \text{ Own Business} + \beta_{11} \text{ Age at Marriage} + \beta_{12} \text{ Number of Children} + \beta_{13} \text{ Number of Income earners in the Household} + \epsilon$$

Furthermore, this study aims to investigate the impact of micro credit on each of the empowerment indicators presented in table 5.1. The OLS models are, like before, built up gradually by adding one independent at a time. But the dependent variable is no longer empowerment index. Instead, each of the empowerment indicators is the dependent variable one at the time. In other words, the second OLS model has make small purchases as the dependent variable, the third OLS model has involved in decision to make large purchases as the dependent variable etc. As before, the relationship between the dependent variable and micro credit borrower is first tested, then independent control variables are gradually added.

## **REGRESSION RESULTS**

The OLS model, in its most basic form, only includes the dependent variable empowerment index and the independent variable micro credit borrower. The model has been formed by gradually by adding one independent variable at a time. This has been done to see how the relationship between micro credit and women empowerment changes when independent variables are added. The broad picture that emerges from the OLS results in Table below is that micro credit seems to have a significant positive effect on women's empowerment. Although the magnitude of the effect depends on the set of controls used, micro credit increases the level of empowerment. The estimated effect from the most complete specification including both individual and household characteristics is statistically significant at the 5 percent level. In terms of magnitude, the empowerment index is expected to increase, on average, with 1.6 points if the respondent has received micro credit in the most basic OLS model without other independent control variables. In the most comprehensive model, the empowerment index is expected to increase, on average, with 1 point holding all the other independent control variables constant. The pattern of estimates and significant level across different sets of independent control variables indicates that the estimate for micro credit on women's empowerment is robust. Furthermore, it was expected that the number of years of micro credit membership was going to have a positive impact on women empowerment. The results in table below tell us that the length of micro credit membership is positively correlated with women empowerment. A potential explanation might be that the initial micro credit given enhances a women's empowerment the most. The additional micro credits given over the years brings more value to women's empowerment. (Table5.1).

**Table 5.1: OLS Results (dependent variable: Empowerment index)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Microcredit
borrower	1.636***	1.322**	1.389**	1.432**	1.506***	1.453**	1.473***	1.445***	1.112**	1.065***	1.051**	1.030**	
	(0.305)	(0.431)	(0.444)	(0.447)	(0.441)	(0.442)	(0.431)	(0.416)	(0.395)	(0.396)	(0.393)	(0.392)	
Years of Microcredit Program Membership		0.0285	0.0163	0.0161	0.00368	0.00273	0.000872	0.00161	0.00130	0.00119	0.00132	0.00101	(0.0276)
		(0.0339)	(0.0339)	(0.0337)	(0.0337)	(0.0330)	(0.0319)	(0.0304)	(0.0303)	(0.0301)	(0.0301)		
Age			0.0108	0.00869	0.0136	0.0125	0.0140	0.0189	0.00770	0.0164	0.0167	0.0261	(0.0173)
			(0.0175)	(0.0173)	(0.0173)	(0.0169)	(0.0163)	(0.0157)	(0.0170)	(0.0169)	(0.0180)		
Education				0.307	0.190	0.1000	0.0781	0.105	0.107	0.132	0.194	0.130	(0.346)
					(0.344)	(0.350)	(0.341)	(0.329)	(0.315)	(0.315)	(0.315)	(0.317)	
Expenditure					1.055*	1.054*	0.851*	0.786*	0.546	0.507	0.440	0.539	(0.407)
						(0.406)	(0.401)	(0.388)	(0.367)	(0.368)	(0.367)	(0.372)	
Agricultural Work						0.0396	0.0209	0.2111***	0.2032***	0.2014***	0.2077***	0.2450***	(0.295)
							(0.293)	(0.573)	(0.531)	(0.530)	(0.528)	(0.585)	
Own Business							2.019**	0.161	0.367	0.326	0.109	0.0133	(0.625)
								(0.775)	(0.720)	(0.719)	(0.724)	(0.725)	

Husband's Business								02.188***	02.125***	02.213***	02.267***	02.645***	(0.574)
								(0.532)	(0.535)	(0.532)	(0.591)		
AgeofMarriage									0.149**	0.146**	0.147**	0.138*	(0.0536)
									(0.0536)	(0.0532)	(0.0534)		
NumberofChildren										00.155	00.182	00.170	(0.116)
											(0.116)	(0.116)	
Household Landownership											0.662	0.689	(0.364)
												(0.363)	
NumberofIncome earnersintheHousehold												00.332	(0.228)
_cons	5.047***	5.047***	4.724***	4.697***	2.148	2.434*	2.727*	4.677***	3.579**	3.885**	3.936**	4.324**	(0.248)
	(0.248)	(0.573)		(0.574)	(1.134)	(1.152)	(1.127)	(1.201)	(1.328)	(1.344)	(1.336)	(1.358)	
N	190	190	190	190	190	190	190	190	190	190	190	190	
Adj.R0sq	0.128	0.129	0.126	0.125	0.151	0.155	0.196	0.252	0.257	0.260	0.270	0.275	

Standard errors in parentheses \*meansstatisticallysignificantat10%,\*\*meansstatisticallysignificantat5%,\*\*\*meansstatisticallysignificantat1%.

Also, age of women seems to have a significant effect on women empowerment. This shows the importance of enforcing the existing law on delaying the age of marriage for continuous women empowerment in Bangalore. Agricultural work and husband's business seem to be negatively correlated with women empowerment. A potential explanation is that a woman engaged in agricultural activities, in most cases, earns little income. In turn, this might put that woman in a state of economic dependency towards her husband. A reason why woman working for her husband is less empowered might be because she has lost control over her income and potentially her micro credit to her husband.

The results steaming from confirms the notion that micro credit has a positive impact on women empowerment. However, these results do not tell us in what way micro credit has a positive impact on women's empowerment. To get insight in this matter, the impact of micro credit is examined on each of the empowerment indicators.

## **CONCLUSIONS**

**Based on the discussions following conclusions have been drawn:**

**Factors which have significant (positive) effect on Empowerment**

- a) The findings derived from the OLS models, suggest that micro credit has a significant (positive) effect on women's empowerment. It indicates that micro-credit strengthens women's family standing which is reflected by their greater role in making the household decision. Similar work has also been done by SWAIN, R, L. Mayoux, Salman Asim, Ranjula Bali and many others. They have also concluded that there is a Positive effect on women empowerment with microfinance schemes.
- b) The findings derived suggest that number of years of micro credit membership has significant (positive) effect. It has also been seen that the micro credit borrowers have built up a trust and relationship with the micro credit program over time, and thus been able to access the other financial services



offered by the microfinance institutions. The soon to be micro credit borrowers have not yet built up this trust and relationship. Similarly, PremaBasargekar, Chowdhury J, DEININGER, K. & LIU, Y and many others have also concluded that with mature groups microcredit can have economic benefits in the long run.

- c) The findings show that expenditure seems to be positively correlated with microfinance. Women having microcredit facility are more comfortable in spending the money and fulfilling their financial needs. Similarly, Jyoti Prakash Basu, Sarahat Salma Chowdhury and others have also concluded the same.
- d) The finding show that Age of marriage and Own business has significant (positive) effect on Women empowerment. And similar conclusions have been drawn by KaziAbdurRouf and others.
- e) In the case of Household Land Ownership of assets the same is having significant effect on Women empowerment. Similar conclusions have been drawn by Sureswari Prasad Das, Gerald Pollio and James Obuobie (2010) and many others.

#### **Factors which have Negative effect on Empowerment**

- a) The findings show that the agricultural work is negatively significant with women empowerment. Unlike, A.K.Makar who showed that it has a significant effect.
- b) The findings show that the Husband's business is negatively significant with empowerment. As the microcredit is availed by the husband and the women involved has no benefits.
- c) It has been seen that number of children is negatively significant with microcredit. The involvement in decisions on how many children to have is not very robust. Unlike, Abhijit V Banerjee (2011) who showed that it has significant effect.

### **Factors which have No effect on Empowerment :**

- a) The findings show that the age of customers who are availing the Microfinance has no significant effect on empowerment. Unlike, Sayma Rahman et al (2010) who showed that age has a Negative effect and Linda Mayoux (1999) who showed that age has a Positive effect.
- b) The findings show that the educational qualification has no significant effect on empowerment. Unlike, Linda Mayoux, who has shown that educational qualification has positive effect.
- c) The findings show that the number of income earners in the household has no significant effect on empowerment. Unlike, VachyaLavori (2014) who has shown that the number of income earners has a positive effect.

### **RECOMMENDATIONS**

Based on the analysis of the research literature and reports existing in the field of microfinance and the results of the present study some additional conclusions are the following:

- a) As depicted by this study that there is a significant effect on women empowerment with microfinance scheme. Thus, the borrowers can avail microfinance as far as possible.
- b) The study has depicted that there is a significant effect of empowerment on women with the number of years of microcredit membership. Thus, women can be associated with the Microfinance for longer time.
- c) The study has depicted that there is significant effect of empowerment on monthly household expenditure on women empowerment. Thus, women can be more comfortable in fulfilling their financial needs with microcredit facility.

- d) The study has depicted that there is significant effect of empowerment on women doing own business. Thus, income earning ability of a women increases when she directly invests money for herself.
- e) The study has depicted that there is significant effect of empowerment on the small land holdings on women empowerment. Thus, women can buy more equipments for their farm which would further increase their income and thus, be more empowered.
- f) It has been depicted in the study that the age at which the respondent has got married has a significant effect on women empowerment. Thus, it is recommended to lend more to seasoned women as they would be able to utilise the funds more judiciously.
- g) The study has depicted that the companies can also prefer the customers having the above mentioned characteristics. They should provide some additional benefits in the loan schemes to make them lucrative for customers, like they should provide additional EL (Emergency Loan), for the purposes of paying electricity bills, school fees, insurance etc.

## **LIMITATIONS OF THE STUDY**

Like any other study, the present study also suffers from certain limitations that have been discussed below.

- 1) Due to the paucity of time all the 148 branches of GrameenKoota could not be approached. Also, geographical limitation could not visit Branches at Maharashtra and Andhra Pradesh. The research could have been done in more than one geographical areas.
- 2) We have considered only one Micro Finance Institution, if more Institutes are considered then a better conclusion could have been drawn.
- 3) Language was one more limitation. The respondents understood Vernacular Language so had to take help of an Translator. The data analysis can be more objective if the language is known to us.
- 4) It has been found that in the northern part of India, fewer studies have been done since micro-finance to rural women in this part of India is not so

prevalent. Thus, there is a micro-finance and recommend implementing the same in NCR (National Capital Region).

- 5) The study has not included the changes after the year 2013 which may have happened in the field of microfinance. Thus, the results may vary.
- 6) This study has not included the crisis caused in Andhra Pradesh in the year 2010 as the study pertained to Bangalore.

## **Chapter-1**

### **INTRODUCTION**

#### **1.1 Definition**

“Microfinance” is often defined as financial services for poor and low-income clients offered by different types of service providers. In practice, the term is often used more narrowly to refer to loans and other services from providers that identify themselves as “microfinance institutions” (MFIs).[1]

Microfinance started way back in the middle of 1800's when the theorist Lysander Spooner was writing over the benefits of small credits to entrepreneurs and farmers as a way of getting the people out of poverty. But at the end of World War II with the Marshall plan the concept of Microfinance had a big impact. The today use of Micro financing has its roots in 1970s when organizations such as Grameen Bank of Bangladesh with the Microfinance pioneer Mohammed Yunus started shaping the modern industry of Micro financing. Mohammed Yunus, winner of Nobel Peace Prize, is a pioneer in microfinance and has found Grameen Bank. He reached the poorest of the poor and provided them microfinance to uplift them.

Another pioneer in the Microfinance sector is Akthar Hameed Khan, who did loaning to underserved people. The main reason why Microfinance is dated in 1970s is that the program could show that people can be relied on to repay their loans. Shore Bank was the first Microfinance and community development bank founded in 1974 in Chicago. After 1970s many Microfinance institutions as ACCION, Grameen Bank etc. were formed. Before that many institutions were working in many countries but the effect of microfinance was small Post 1970 era to late 1970s. The concept of Micro Finance evolved from the beginning of 20th century. Many credit groups were operating in many countries for several years e.g., “chit fund”. (India), “tontines” (West Africa), “susus: (Ghana), “pasanaker” (Bolvia) etc. During early and mid 1990s various credit institutions had been formed in Europe by some organised poor people from both rural and urban areas. These institutions were named Credit Unions, People's Bank etc. The main aim of these institutions was to provide easy access of credit to poor people who were neglected by big financial institutions and banks. The poor people had been given small loans to invest in Micro finance business. In later part of 1970s many pioneering banks were there like:-

**[1] CGAP-2013**

**ACCION International-** The same was established by a law student of Latin America to help the poor residing in Latin America. In 2008, ACCION has the network of leading partners comprising not only Latin America but US and Africa.

**SEWA Bank- Self Employed Womens' Association-** The same was formed in 1973 of Gujarat (India). Mahila SEWA Cooperative Bank was formed to access certain financial services easily. Around 4,000 women contributed their share capital to form the bank and as on today they have an active clientele of more than 30,000 women.

**Grameen Bank (GB, Bangladesh)-** Was founded by Nobel Peace Prize (2005) winner and presidential award winner( 2010), Dr. Muhamad Yunus in 1983. It is now raising 4,00,0000 poor people of Bangladesh. Also, GB stimulated formation of several MF Institutions, ASA, BRAC and Proshita. They have achieved 100% repayment rate. Today, many other credit schemes and financial products have been devised in response to the feedback of the poor themselves, but the pioneering work of Grameen Bank will always remain a benchmark.

The main idea behind microfinance is that poor people, who cannot provide any collateral, should have access to some sort of financial services. When nothing was done on the front to fight poverty Mohd.Yunus thought of social business. The existing institution failed to help poor due to one reason or the other like the quantum of loans required were meagre, there was no security available with the poor. So, the idea to alleviate the poor came to his mind. Microfinance began with micro-credit: the provision of small loans (20-50 euros) to very poor families to help them engage in productive and self-sustaining activities. Since the successful initiation of formalised micro credit in the 1980's a number of other complementary services have popped up around the globe, including micro-savings, micro-insurance etc. More broadly, microfinance refers to a movement that envisions a world in which low-income households have permanent access to a range of high quality and affordable financial services offered by a range of retail providers to include savings, credit, insurance, remittances and payments and others.[2]

**Microfinance** is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these client

**[2] Robert Reck Christer, Richard Rosetberg and Veena Jayadeva, July 2004**

categories. The two main mechanisms for the delivery of financial services to such clients are [3] (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. In some regions, for example Southern Africa, microfinance is used to describe the supply of financial services to low-income employees, which, however, is closer to the retail finance model prevalent in mainstream banking. For some, microfinance is a movement whose object is "a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers." Many of those who promote microfinance generally believe that such access will help poor people out of poverty. For others, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses.

Microfinance is a broad category of services, which includes micro-credit. Micro-credit is a provision of credit services to poor clients. Although micro credit is one of the aspects of microfinance, conflation of the two terms is endemic in public discourse. Critics often attack micro credit while referring to it indiscriminately as either 'micro credit' or 'microfinance'. In other words, micro credit refers to very small loans for unsalaried borrowers with little or no collateral, provided by legally registered institutions. Microfinance typically refers to a range of financial services including credit, savings, insurance, money transfers, and other financial products provided by different service providers, targeted at poor and low-income people.

### **1.1 Why Microfinance?**

Traditionally, banks have not provided financial services, such as loans, to clients with little or no cash income. Banks incur substantial costs to manage a client account, regardless of how small the sums of money involved. For example, although the total gross revenue from delivering one hundred loans worth \$1, 000 each will not differ greatly from the revenue that results from delivering one loan of \$100, 000, it takes nearly a hundred times as much work and cost to manage a hundred loans as it does to manage one. The fixed cost of processing loans of any size is considerable as assessment of potential borrowers, their repayment prospects and security; administration of outstanding loans, collecting from delinquent borrowers, etc., has to

**[3] Mohd. Yunus (2007) Creating a World Without Poverty**

be done in all cases. There is a break-even point in providing loans or deposits below which banks lose money on each transaction they make. Poor people usually fall below that breakeven point. A similar equation resists efforts to deliver other financial services to poor people.

In addition, most poor people have few assets that can be secured by a bank as collateral. As documented extensively by Hernando de Soto and others, even if they happen to own land in the developing world, they may not have effective title to it. This means that the bank will have little recourse against defaulting borrowers.

Seen from a broader perspective, the development of a healthy national financial system has long been viewed as a catalyst for the broader goal of national economic development. However, the efforts of national planners and experts to develop financial services for most people have often failed in developing countries, for reasons summarized well by Adams, Graham & Von Pischke in their classic analysis 'Undermining Rural Development with Cheap Credit'. Because of these difficulties, when poor people borrow they often rely on relatives or a local moneylender, whose interest rates can be very high. An analysis of 28 studies of informal money lending rates in 14 countries in Asia, Latin America and Africa concluded that 76% of moneylender rates exceed 10% per month, including 22% that exceeded 100% per month. Moneylenders usually charge higher rates to poorer borrowers than to less poor ones. While moneylenders are often demonized and accused of usury, their services are convenient and fast, and they can be very flexible when borrowers run into problems. Hopes of quickly putting them out of business have proven unrealistic, even in places where microfinance institutions are active.

Although much progress has been made, the problem has not been solved yet, and the overwhelming majority of people who earn less than \$1 a day, especially in the rural areas, continue to have no practical access to formal sector finance. Microfinance has been growing rapidly with \$25 billion currently at work in microfinance loans. It is estimated that the industry needs \$250 billion to get capital to all the poor people who need it. The industry has been growing rapidly, and concerns have arisen that the rate of capital flowing into microfinance is a potential risk unless managed well. As seen in the State of Andhra Pradesh (India), these systems can easily fail. Some reasons being lack of use by potential customers, over-indebtedness, poor operating procedures, neglect of duties and inadequate regulations.



## **1.2 Financial needs of People**

In developing economies and particularly in the rural areas, many activities that would be classified in the developed world as financial are not monetized: that is, money is not used to carry them out. Almost by definition, poor people have very little money. But circumstances often arise in their lives in which they need money or the things money can buy. In Stuart Rutherford's [4] recent book *The Poor and Their Money*, he cites several types of needs:

- *Lifecycle Needs*: such as weddings, funerals, childbirth, education, homebuilding, widowhood, old age.
- *Personal Emergencies*: such as sickness, injury, unemployment, theft, harassment or death.
- *Disasters*: such as fires, floods, cyclones and man-made events like war or bulldozing or
- *Investment Opportunities*: expanding a business, buying land or equipment, improving housing, securing a job (which often requires paying a large bribe), etc.

Poor people find creative and often collaborative ways to meet these needs, primarily through creating and exchanging different forms of non-cash value. Common substitutes for cash vary from country to country but typically include livestock, grains, jewellery and precious metals.

## **1.4 Banking services at the doorstep**

An incredible feature of microfinance is its convenience. Credit officers, usually locals, are hired by the MFI branch office and have the task of going from village to village (or house to house in urban areas) to collect and disburse funds. This is very convenient for clients because they rarely have to travel in order to receive their banking services. Often the credit officer will organise group meetings at which a variety of activities can take place. Microfinance is not a solution to all the world's problems, but seems to be effective in encouraging entrepreneurship, increasing the income of the poorest and helping them to build viable business. Today World Bank estimates that more than 16m people are served by some 7000 Microfinance institutions all over the world. Consultative Group to Assist the Poor (CGAP) experts have found that 500 m families benefit from small loans making new business possible. In a gathering in Washington DC at a Micro Credit Summit the goal was to reach 100 m of World's poorest people by credit from the world leaders and financial institutions in 2013.

**[4] Stuart Rutherford, *The Poor and Their Money* dwellings.**

As Marguerite Robinson[5] describes in 'The Microfinance Revolution', the 1980s demonstrated that "microfinance could provide large-scale outreach profitably, " and in the 1990s, "microfinance began to develop as an industry". In the 2000s, the microfinance industry's objective is to satisfy the unmet demand on a much larger scale, and to play a role in reducing poverty. While much progress has been made in developing a viable, commercial microfinance sector in the last few decades, several issues remain that need to be addressed before the industry will be able to satisfy massive worldwide demand. The obstacles or challenges to building a sound commercial microfinance industry include:

- Inappropriate donor subsidies
- Poor regulation and supervision of deposit-taking MFIs(Micro Finance Institution)
- Few MFIs that meet the needs for savings, remittances or insurance
- Limited management capacity in MFIs
- Institutional inefficiencies

The United Nations has declared that 2005 is "the year of microfinance". In year 2005, it was claimed as the International year of Micro credit by the Economic and Social Council of the UN in a call for firm and building sector to 'fuel' the strong entrepreneurial spirit of the poor people around the world. Rural Finance could not be availed by the needy and grass root people. So, the need for the (Micro Finance)MF gained importance. According to the UN definition, MF is loans, savings, insurance, transfer services and other financial products for low-income clients to save them from high interest rates charged by money lenders. Yunus officially formed Grameen Bank in 1983 where \$27, was the smallest loan given by Yunus himself. Slowly, the mandate of the bank evolved and broadened and in 1984 they offered Home Loans. He devoted his life to providing financial and social services to poorest of the poor. Micro credit is supposed to describe loans offered with no collateral to support income-generating businesses aimed at lifting poor out of poverty but not to the poor. The innovative banking program that provides poor people-mainly women with loans they used to launch businesses and lift their families out of poverty. In the past 30 years, micro credit has spread to every continent and benefitted over 100 million families. In 2000,

**[5] Marguerite Robinson, The Microfinance Revolution**

nations gathered at UN Head Quarters in New York City and resolved to reduce poverty by half by 2015.

### **1.5 Microfinance Standards and Principles**

Poor people borrow from informal moneylenders and save with informal collectors. They receive loans and grants from charities. They buy insurance from state-owned companies. They receive funds transfers through formal or informal remittance networks. It is not easy to distinguish microfinance from similar activities. It could be claimed that a government that orders state banks to open deposit accounts for poor consumers, or a moneylender that engages in usury, or diary people are engaged in microfinance. Ensuring financial services to poor people is best done by expanding the number of financial institutions available to them, as well as by strengthening the capacity of those institutions. In recent years there has also been increasing emphasis on expanding the diversity of institutions, since different institutions serve different needs.

Some principles that summarize a century and a half of development practice were encapsulated in 2004 by CGAP and endorsed by the Group of Eight leaders at the G8 Summit on June 10, 2004:

1. Poor people need not just loans but also savings, insurance and money transfer services.
2. Microfinance must be useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks.
3. "Microfinance can pay for itself." Subsidies from donors and government are scarce and uncertain, and so to reach large numbers of poor people, microfinance must pay for itself.
4. Microfinance means building permanent local institutions.
5. Microfinance also means integrating the financial needs of poor people into a country's mainstream financial system.
6. "The job of government is to enable financial services, not to provide them."
7. "Donor funds should complement private capital, not compete with it."
8. "The key bottleneck is the shortage of strong institutions and managers."
9. Donors should focus on capacity building.
10. Interest rate ceilings hurt poor people by preventing microfinance institutions from covering their costs, which chokes off the supply of credit.

11. Microfinance institutions should measure and disclose their performance – both financially and socially.

Microfinance is considered as a tool for socio-economic development, and can be clearly distinguished from charity. Families who are destitute, or so poor they are unlikely to be able to generate the cash flow required to repay a loan, should be recipients of charity. Others are best served by financial institutions.

## **1.6 Microfinance Debates and Challenges**

There are several key debates at the boundaries of microfinance. One of the principal challenges of microfinance is providing small loans at an affordable cost. The global average interest and fee rate is estimated at 37%, with rates reaching as high as 70% in some markets. The reason for the high interest rates is not primarily cost of capital. Indeed, the local microfinance organizations that receive zero-interest loan capital from the online microlending platform Kiva charge average interest and fee rates of 35.21%. Rather, the main reason for the high cost of microfinance loans is the high transaction cost of traditional microfinance operations relative to loan size. Microfinance practitioners have long argued that such high interest rates are simply unavoidable, because the cost of making each loan cannot be reduced below a certain level while still allowing the lender to cover costs such as offices and staff salaries. The result is that the traditional approach to microfinance has made only limited progress in resolving the problem it purports to address: that the world's poorest people pay the world's highest cost for small business growth capital. The high costs of traditional microfinance loans limit their effectiveness as a poverty-fighting tool. Offering loans at interest and fee rates of 37% mean that borrowers who do not manage to earn at least a 37% rate of return may actually end up poorer as a result of accepting the loans. In recent years, the microfinance industry has shifted its focus from the objective of increasing the volume of lending capital available, to address the challenge of providing microfinance loans more affordably. Microfinance analyst David Roodman in Dec., 2011, contends that in mature markets, the average interest and fee rates charged by microfinance institutions tend to fall over time. However global average interest rates for microfinance loans are still well above 30%. According to a recent survey of microfinance borrowers in Ghana published by the Center for Financial Inclusion, more than one-third of borrowers surveyed reported struggling to repay their loans. Some resorted to measures such as reducing their food intake or taking children

out of school in order to repay microfinance debts that had not proven sufficiently profitable. The answer to providing microfinance services at an affordable cost may lie in rethinking of one of the fundamental assumptions underlying microfinance: that microfinance borrowers need extensive monitoring and interaction with loan officers in order to benefit from and repay their loans. In 2009, the US-based nonprofit organization Zidisha became the first online person-to-person lending platform to link carefully vetted, computer-literate microfinance borrowers in developing countries with individual lenders directly, without any loan officers or local intermediaries to manage the loans. They dubbed an "e-Bay for microfinance", Zidisha operates on the assumption that microfinance borrowers can be trusted to participate responsibly in an online lending community and repay loans on their own, as do residents of wealthy countries. This approach allows Zidisha to outsource many of the record-keeping and communications functions that have traditionally been performed by brick-and-mortar lending institutions to Zidisha's online user community, as lenders dialogue directly with borrowers and track their performance via eBay-style feedback ratings. Eliminating local intermediaries reduces the interest and fee cost to just 8% on average, of which 5% covers Zidisha's administrative costs and 3% represents interest paid out to lenders. To the surprise of many observers, Zidisha borrowers have maintained a repayment rate of 98%. Zidisha's success suggests that it is possible to provide microfinance services on a large scale at substantially lower cost.

### **1.7 Impact of Micro Finance**

While all microfinance institutions aim at increasing incomes and employment, in developing countries the empowerment of women, improved nutrition and improved education of the borrower's children are frequently aims of microfinance institutions. In the US and Canada, aims of microfinance include the graduation of recipients from welfare programs and an improvement in their credit rating are. In the US, microfinance has created jobs directly and indirectly, as 60% of borrowers were able to hire others. According to reports every domestic microfinance loan creates 2.4 jobs. These entrepreneurs provide wages that are, on average, 25% higher than minimum wage. Small business loans eventually allow small business owners to make their businesses their primary source of income with 67% of the borrowers showing a significant increase in their income as a result of their participation in certain micro-loan programs. In addition, these business owners are able to improve their housing

situation, 70% indicating their housing has improved. Ultimately, many of the small business owners that use social funding and are able to graduate from government funding. It is a very effective development tool because it provides empowerment instead of charity. Typically, microfinance clients are self-employed household entrepreneurs who lack the resources to invest in their business and their future and thus can escape the grips of extreme poverty.

## **1.8 Empowerment**

Empowerment means to invest with power especially Legal power or official authority. The word empower is not new it has arisen in the mid-17th century with the legalistic meaning "to invest with authority, authorize." In a more general way it means "to enable or permit." Both of these usages survive today as well. Modern use has originated in the civil rights movement, which sought political empowerment for its followers. The word was then taken up by the women's movement. Since people of all political persuasions have a need for a word that makes their constituents feel that they are or are about to become more in control of their destinies, empowerment has been adopted by conservatives as well as social reformers. It has even migrated out of the political arena into other fields.

Empowerment is a construct shared by many disciplines and arenas: community development, psychology, education, economics, and studies of social movements and organizations, among others.[1].Empowerment is understood in different ways. In recent empowerment literature, the meaning of the term empowerment is often assumed rather than explained or defined. Rappoport [2] has noted that it is easy to define empowerment by its absence but difficult to define in action as it takes on different forms in different people and contexts. Even defining the concept is subject to debate. Zimmerman [3] has stated that asserting a single definition of empowerment may make attempts to achieve it formula-like or prescription-like, contradicting the very concept of empowerment. A common understanding of empowerment is necessary, however, to allow us to know empowerment when we see it in people with whom we are working, and for program evaluation. According to Bailey [4] how we precisely define empowerment within our projects and programs will depend upon the specific people and context involved. As a general definition, however, we suggest that empowerment

**[1] Anu Kasmel,[2] Rappoport, J,[3] Zimmerman, M.A, [4] Bailey, D**

is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people for use in their own lives, their communities, and in their society, by acting on issues that they define as important. We suggest that three components of our definition are basic to any understanding of empowerment. It is multi-dimensional in that it occurs within sociological, psychological, economic, and other dimensions. Empowerment also occurs at various levels, such as individual, group, and community.

Empowerment, by definition, is a social process, since it occurs in relationship to others. Empowerment is a process that is similar to a path or journey, one that develops as we work through it [5]. Other aspects of empowerment may vary according to the specific context and people involved, but these remain constant. In addition, one important implication of this definition of empowerment is that the individual and community are fundamentally connected. The empowerment of women occurs in reality, when women achieve increased control and therefore, improved socio-economic status. The experts also inform that there are five levels of the women's empowerment framework, namely- welfare, access, conscientisation, mobilisation and control.

1.8.a Welfare means an improvement in socio-economic status, such as improved nutritional status, shelter or income, which is the zero level of empowerment, where women are the passive recipients of benefits that are 'given' from on high.

1.8.b Access to resources and services stands for the first level of empowerment, since women improve, their own status, relative to men, by their own work and organisation arising from increased access to resources and services.

1.8.c Conscientisation is defined as the process, by which women collectively urge to act to remove one or more of the discriminatory practices that impede their access to resources. Here, women form groups to understand the underlying causes of their problems and to identify strategies for action for gender equity.

1.8.d Mobilisation is the action level of empowerment by forging links with the larger women's movement, to learn from the successes of women's similar strategic action elsewhere and to connect with the wider struggle.

1.8.e Control is the level of empowerment when women have taken action. Thus, there is gender equality in decisions making over access to resources, so that women achieve direct control over their access to resources. But one needs to understand that [5] Weber (1946)

these five levels of women's empowerment are not really a linear progression but helical and circular along with being interconnected. The empowerment occurs when women achieve increased control and participation in decision making that leads to their better access to resources, and therefore, improved socio-economic status.

**1.9 Principle of gender equality** is enshrined in the Indian Constitution in its Preamble, Fundamental Rights, Fundamental Duties and Directive Principles. The Constitution not only grants equality to women, but also empowers the State to adopt measures of positive discrimination in favour of women. The early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programmes and credit cooperatives increasing women's access to micro-finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about wider changes in gender inequality. The feminist empowerment paradigm has not originated as a Northern imposition, but is firmly rooted in the development of some of the earliest micro-finance programmes in the South, including SEWA in India. It is assumed that increasing women's access to micro-finance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up micro-enterprise, increasing incomes under their control.

Micro Finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years, there is questioning of whether micro credit is most effective approach to economic empowerment of poorest and, among them, women in particular. Credit for empowerment is about organizing people, particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilize their own funds, building their capacities and empowering them to leverage external credit. Perception of women is that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit. Within the framework of a democratic polity, our laws, development policies, Plans and programmes have aimed at women's advancement in different spheres. From the Fifth Five Year Plan (1974-78) onwards has been a marked shift in the approach to women's issues from welfare to development. In recent years, the empowerment of women has been recognized as the



central issue in determining the status of women. The National Commission for Women was set up by an Act of Parliament in 1990 to safeguard the rights and legal entitlements of women. The 73rd and 74th Amendments (1993) to the Constitution of India have provided for reservation of seats in the local bodies of Panchayats and Municipalities for women, laying a strong foundation for their participation in decision making at the local levels.

- 1.9.a India has also ratified various international conventions and human rights instruments committing to secure equal rights of women. Key among them is the ratification of the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) in 1993.
- 1.9.b The Mexico Plan of Action (1975), the Nairobi Forward Looking Strategies (1985), the Beijing Declaration as well as the Platform for Action (1995) and the Outcome Document adopted by the UNGA Session on Gender Equality and Development & Peace for the 21st century, titled "Further actions and initiatives to implement the Beijing Declaration and the Platform for Action" have been unreservedly endorsed by India for appropriate follow up.
- 1.9.c The Policy also takes note of the commitments of the Ninth Five Year Plan and the other Sectoral Policies relating to empowerment of Women.
- 1.9.d The women's movement and a wide-spread network of non-Government Organisations which have strong grass-roots presence and deep insight into women's concerns have contributed in inspiring initiatives for the empowerment of women. However, there still exists a wide gap between the goals enunciated in the Constitution, legislation, policies, plans, programmes, and related mechanisms on the one hand and the situational reality of the status of women in India, on the other. This has been analyzed extensively in the Report of the Committee on the Status of Women in India, "Towards Equality", 1974 and highlighted in the National Perspective Plan for Women, 1988-2000, the Shramshakti Report, 1988 and the Platform for Action, Five Years After-An assessment".
- 1.9.e Gender disparity manifests itself in various forms, the most obvious being the trend of continuously declining female ratio in the population in the last few decades. Social stereotyping and violence at the domestic and societal levels are some of the other manifestations. Discrimination against girl children, adolescent girls and women persists in parts of the country. The underlying

causes of gender inequality are related to social and economic structure, which is based on informal and formal norms, and practices. Consequently, the access of women particularly those belonging to weaker sections including Scheduled Castes/Scheduled Tribes/ Other backward Classes and minorities, majority of whom are in the rural areas and in the informal, unorganized sector – to education, health and productive resources, among others, is inadequate. Therefore, they remain largely marginalized, poor and socially excluded.

### **1.10 Goal and Objectives of Microfinance Policy**

1.10.a Goal of the Policy was to bring about the advancement, development and empowerment of women. The Policy was widely disseminated so as to encourage active participation of all stakeholders for achieving its goals. Specifically, the objectives of this Policy include:

- (i) Creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential;
- (ii) The de-jure and de-facto enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres – political, economic, social, cultural and civil;
- (iii) Equal access to participation and decision making of women in social, political and economic life of the nation;
- (iv) Equal access to women to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security and public office etc.;
- (v) Strengthening legal systems aimed at elimination of all forms of discrimination against women;
- (vi) Changing societal attitudes and community practices by active participation and involvement of both men and women;
- (vii) Mainstreaming a gender perspective in the development process;
- (viii) Elimination of discrimination and all forms of violence against women and the girl child; and
- (ix) Building and strengthening partnerships with civil society, particularly women's organizations.

**1.10b Malegam Committee (2011)** has defined Micro Finance as an economic development tool whose objective is to assist the poor to work with their way out of poverty. It covers a range of services which include, in addition to the provision of credit, many other services such as savings, insurance, money transfers, counseling, etc. The players in the Micro Finance sector can be classified as falling into three main groups:-

- a) The SHG-Bank linkage Model accounting for about 58% of the outstanding loan portfolio
- b) NBFCs accounting for about 34% of the outstanding loan portfolio
- c) Others including trusts, societies, etc, accounting for the balance 8% of the outstanding loan portfolio. Primary Agricultural Co-operative Societies (PACS) numbering 95,663, covering every village in the country, with a combined membership of over 13 crores and loans outstanding of over Rs. 64, 044 Crores as on 31.03.2009 have a much longer history and are under a different regulatory framework. Thrift and credit co-operatives are scattered across the country and there is no centralized information available about them.

### **1.11 Other Policy Prescriptions**

Judicial Legal Systems: Legal-judicial system was made more responsive and gender sensitive to women's needs, especially in cases of domestic violence and personal assault. New laws were enacted and existing laws reviewed to ensure that justice is quick and the punishment meted out to the culprits is commensurate with the severity of the offence. At the initiative of and with the full participation of all stakeholders including community and religious leaders, the Policy aimed to encourage changes in personal laws such as those related to marriage, divorce, maintenance and guardianship so as to eliminate discrimination against women. The evolution of property rights in a patriarchal system has contributed to the subordinate status of women. The Policy aimed to encourage changes in laws relating to ownership of property and inheritance by evolving consensus in order to make them gender just.

### **1.12 Decision Making**

Women's equality in power sharing and active participation in decision making, including decision making in political process at all levels was ensured for the achievement of the goals of empowerment. All measures will be taken to guarantee

women equal access to and full participation in decision making bodies at every level, including the legislative, executive, judicial, corporate, statutory bodies, as also the advisory Commissions, Committees, Boards, Trusts, etc. Affirmative action such as reservations/quotas, including in higher legislative bodies, will be considered whenever necessary on a time bound basis. Women-friendly personnel policies were also drawn up to encourage women to participate effectively in the developmental process.

### **Mainstreaming a Gender Perspective in the Development Process**

Policies, programmes and systems were established to ensure mainstreaming of women's perspectives in all developmental processes, as catalysts, participants and recipients. Wherever there are gaps in policies and programmes, women specific interventions would be undertaken to bridge these. Coordinating and monitoring mechanisms were also be devised to assess from time to time the progress of such mainstreaming mechanisms. Women's issues and concerns as a result will specially be addressed and reflected in all concerned laws, sectoral policies, plans and programmes of action.

## **1.13 Economic Empowerment of women**

### **1.13.a Poverty Eradication**

Since women comprise the majority of the population below the poverty line and are very often in situations of extreme poverty, given the harsh realities of intra-household and social discrimination, macro economic policies and poverty eradication programmes will specifically address the needs and problems of such women. There were improved implementation of programmes which are already women oriented with special targets for women. Steps will be taken for mobilization of poor women and convergence of services, by offering them a range of economic and social options, along with necessary support measures to enhance their capabilities.

### **1.13.b Micro Credit**

In order to enhance women's access to credit for consumption and production, the establishment of new, and strengthening of existing micro-credit mechanisms and micro-finance institution were undertaken so that the outreach of credit is enhanced. Other supportive measures would be taken to ensure adequate flow of credit through extant financial institutions and banks, so that all women below poverty line have easy access to credit.

### **1.13.c Women and Economy**

Women's perspectives will be included in designing and implementing macro-economic and social policies by institutionalizing their participation in such processes. Their contribution to socio-economic development as producers and workers will be recognized in the formal and informal sectors (including home based workers) and appropriate policies relating to employment and to her working conditions will be drawn up. Such measures could include: Reinterpretation and redefinition of conventional concepts of work wherever necessary e.g. in the Census records, to reflect women's contribution as producers and workers. Preparation of satellite and national accounts. Development of appropriate methodologies for undertaking (i) and (ii) above.

### **1.13.d Globalization**

Globalization has presented new challenges for the realization of the goal of women's equality, the gender impact of which has not been systematically evaluated fully. However, from the micro-level studies that were commissioned by the Department of Women & Child Development, it is evident that there is a need for re-framing policies for access to employment and quality of employment. Benefits of the growing global economy have been unevenly distributed leading to wider economic disparities, the feminization of poverty, increased gender inequality through often deteriorating working conditions and unsafe working environment especially in the informal economy and rural areas. Strategies will be designed to enhance the capacity of women and empower them to meet the negative social and economic impacts, which may flow from the globalization process.

### **1.13.e Women and Agriculture**

In view of the critical role of women in the agriculture and allied sectors, as producers, concentrated efforts will be made to ensure that benefits of training, extension and various programmes will reach them in proportion to their numbers. The programmes for training women in soil conservation, social forestry, dairy development and other occupations allied to agriculture like horticulture, livestock including small animal husbandry, poultry, fisheries etc. will be expanded to benefit women workers in the agriculture sector.

### **1.13.f Women and Industry**

The important role played by women in electronics, information technology and food processing and agro industry and textiles has been crucial to the development of these sectors. They would be given comprehensive support in terms of labour legislation, social security and other support services to participate in various industrial sectors.

Women at present cannot work in night shift in factories even if they wish to. Suitable measure will be taken to enable women to work on the night shift in factories. This will be accompanied with support services for security, transportation etc.

### **1.13.g Support Services**

The provision of support services for women, like child care facilities, including crèches at work places and educational institutions, homes for the aged and the disabled were expanded and improved to create an enabling environment and to ensure their full cooperation in social, political and economic life. Women-friendly personnel policies will also be drawn up to encourage women to participate effectively in the developmental process.

## **1.14 Social Empowerment of Women**

### **1.14.a Education**

Equal access to education for women and girls will be ensured. Special measures will be taken to eliminate discrimination, universalize education, eradicate illiteracy, create a gender-sensitive educational system, increase enrolment and retention rates of girls and improve the quality of education to facilitate life-long learning as well as development of occupation/vocation/technical skills by women. Reducing the gender gap in secondary and higher education would be a focus area. Sectoral time targets in existing policies will be achieved, with a special focus on girls and women, particularly those belonging to weaker sections including the Scheduled Castes/Scheduled Tribes/Other Backward Classes/Minorities. Gender sensitive curricula would be developed at all levels of educational system in order to address sex stereotyping as one of the causes of gender discrimination.

### **1.14.b Health**

A holistic approach to women's health which includes both nutrition and health services will be adopted and special attention will be given to the needs of women and the girl at all stages of the life cycle. The reduction of infant mortality and maternal

mortality, which are sensitive indicators of human development, is a priority concern. This policy reiterates the national demographic goals for Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) set out in the National Population Policy 2000. Women should have access to comprehensive, affordable and quality health care. Measures will be adopted that take into account the reproductive rights of women to enable them to exercise informed choices, their vulnerability to sexual and health problems together with endemic, infectious and communicable diseases such as malaria, TB, and water borne diseases as well as hypertension and cardio-pulmonary diseases. The social, developmental and health consequences of HIV/AIDS and other sexually transmitted diseases will be tackled from a gender perspective. To effectively meet problems of infant and maternal mortality, and early marriage the availability of good and accurate data at micro level on deaths, birth and marriages is required. Strict implementation of registration of births and deaths would be ensured and registration of marriages would be made compulsory.

In accordance with the commitment of the National Population Policy (2000) to population stabilization, this Policy recognizes the critical need of men and women to have access to safe, effective and affordable methods of family planning of their choice and the need to suitably address the issues of early marriages and spacing of children. Interventions such as spread of education, compulsory registration of marriage and special programmes like BSY should impact on delaying the age of marriage so that by 2010 child marriages are eliminated. Women's traditional knowledge about health care and nutrition will be recognized through proper documentation and its use will be encouraged. The use of Indian and alternative systems of medicine will be enhanced within the framework of overall health infrastructure available for women.

#### **1.14.c Nutrition**

In view of the high risk of malnutrition and disease that women face at all the three critical stages viz., infancy and childhood, adolescent and reproductive phase, focused attention would be paid to meeting the nutritional needs of women at all stages of the life cycle. This is also important in view of the critical link between the health of adolescent girls, pregnant and lactating women with the health of infant and young children. Special efforts will be made to tackle the problem of macro and micro nutrient deficiencies especially amongst pregnant and lactating women as it leads to various diseases and disabilities.

Intra-household discrimination in nutritional matters vis-à-vis girls and women will be sought to be ended through appropriate strategies. Widespread use of nutrition education would be made to address the issues of intra-household imbalances in nutrition and the special needs of pregnant and lactating women. Women's participation will also be ensured in the planning, superintendence and delivery of the system.

#### **1.14.d Drinking Water and Sanitation**

Special attention will be given to the needs of women in the provision of safe drinking water, sewage disposal, toilet facilities and sanitation within accessible reach of households, especially in rural areas and urban slums. Women's participation will be ensured in the planning, delivery and maintenance of such services.

#### **1.14.e Housing and Shelter**

Women's perspectives will be included in housing policies, planning of housing colonies and provision of shelter both in rural and urban areas. Special attention will be given for providing adequate and safe housing and accommodation for women including single women, heads of households, working women, students, apprentices and trainees.

#### **1.14.f Environment**

Women will be involved and their perspectives reflected in the policies and programmes for environment, conservation and restoration. Considering the impact of environmental factors on their livelihoods, women's participation will be ensured in the conservation of the environment and control of environmental degradation. The vast majority of rural women still depend on the locally available non-commercial sources of energy such as animal dung, crop waste and fuel wood. In order to ensure the efficient use of these energy resources in an environmental friendly manner, the Policy will aim at promoting the programmes of non-conventional energy resources. Women will be involved in spreading the use of solar energy, biogas, smokeless chulahs and other rural application so as to have a visible impact of these measures in influencing eco system and in changing the life styles of rural women.



#### **1.14.g Science and Technology**

Programmes will be strengthened to bring about a greater involvement of women in science and technology. These will include measures to motivate girls to take up science and technology for higher education and also ensure that development projects with scientific and technical inputs involve women fully. Efforts to develop a scientific temper and awareness will also be stepped up. Special measures would be taken for their training in areas where they have special skills like communication and information technology. Efforts to develop appropriate technologies suited to women's needs as well as to reduce their drudgery will be given a special focus too.

#### **1.14.h Women in Difficult Circumstances**

In recognition of the diversity of women's situations and in acknowledgement of the needs of specially disadvantaged groups, measures and programmes will be undertaken to provide them with special assistance. These groups include women in extreme poverty, destitute women, women in conflict situations, women affected by natural calamities, women in less developed regions, the disabled widows, elderly women, single women in difficult circumstances, women heading households, those displaced from employment, migrants, women who are victims of marital violence, deserted women and prostitutes etc.

#### **1.14.i Violence against women**

All forms of violence against women, physical and mental, whether at domestic or societal levels, including those arising from customs, traditions or accepted practices shall be dealt with effectively with a view to eliminate its incidence. Institutions and mechanisms/schemes for assistance will be created and strengthened for prevention of such violence, including sexual harassment at work place and customs like dowry; for the rehabilitation of the victims of violence and for taking effective action against the perpetrators of such violence. A special emphasis will also be laid on programmes and measures to deal with trafficking in women and girls.

#### **1.14.j Rights of the Girl Child**

All forms of discrimination against the girl child and violation of her rights shall be eliminated by undertaking strong measures both preventive and punitive within and outside the family. These would relate specifically to strict enforcement of laws against prenatal sex selection and the practices of female foeticide, female infanticide,

child marriage, child abuse and child prostitution etc. Removal of discrimination in the treatment of the girl child within the family and outside and projection of a positive image of the girl child will be actively fostered. There will be special emphasis on the needs of the girl child and earmarking of substantial investments in the areas relating to food and nutrition, health and education, and in vocational education. In implementing programmes for eliminating child labour, there will be a special focus on girl children.

### **1.15 Mass Media**

Media will be used to portray images consistent with human dignity of girls and women. The Policy will specifically strive to remove demeaning, degrading and negative conventional stereotypical images of women and violence against women. Private sector partners and media networks will be involved at all levels to ensure equal access for women particularly in the area of information and communication technologies. The media would be encouraged to develop codes of conduct, professional guidelines and other self-regulatory mechanisms to remove gender stereotypes and promote balanced portrayals of women and men.

### **1.16 Operational Strategies & Action Plans**

All Central and State Ministries made Action Plans for translating the Policy into a set of concrete actions, through a participatory process of consultation with Centre/State Departments of Women and Child Development and National /State Commissions for Women. The Plans specifically included the following: -

- i) Measurable goals to be achieved by 2010.
- ii) Identification and commitment of resources.
- iii) Responsibilities for implementation of action points.
- iv) Structures and mechanisms to ensure efficient monitoring, review and gender impact assessment of action points and policies.
- v) Introduction of a gender perspective in the budgeting process.

In order to support better planning and programme formulation and adequate allocation of resources, Gender Development Indices (GDI) was developed by networking with specialized agencies. These could be analyzed and studied in depth. Gender auditing and development of evaluation mechanisms were also be undertaken along side. Collection of gender disaggregated data by all primary data collecting

agencies of the Central and State Governments as well as Research and Academic Institutions in the Public and Private Sectors will be undertaken. Data and information gaps in vital areas reflecting the status of women will be sought to be filled in by these immediately. All Ministries/Corporations/Banks and financial institutions etc. were advised to collect, collate, disseminate and maintain/publish data related to programmes and benefits on a gender disaggregated basis. This helped in meaningful planning and evaluation of policies.

### **1.17 Institutional Mechanisms**

Institutional mechanisms, to promote the advancement of women, which exist at the Central and State levels, were strengthened. They were through interventions as may be appropriate and will relate to, among others, provision of adequate resources, training and advocacy skills to effectively influence macro-policies, legislation, programmes etc. to achieve the empowerment of women.

**1.17.a** National and State Councils will be formed to oversee the operationalization of the Policy on a regular basis. The National Council will be headed by the Prime Minister and the State Councils by the Chief Ministers and be broad in composition having representatives from the concerned Departments/Ministries, National and State Commissions for Women, Social Welfare Boards, representatives of Non-Government Organizations, Women's Organisations, Corporate Sector, Trade Unions, financing institutions, academics, experts and social activists etc. These bodies will review the progress made in implementing the Policy twice a year. The National Development Council will also be informed of the progress of the programme undertaken under the policy from time to time for advice and comments.

**1.17.b** National and State Resource Centres on women will be established with mandates for collection and dissemination of information, undertaking research work, conducting surveys, implementing training and awareness generation programmes, etc. These Centers will link up with Women's Studies Centres and other research and academic institutions through suitable information networking systems.

**1.17.c** While institutions at the district level will be strengthened, at the grass-roots, women will be helped by Government through its programmes to organize and strengthen into Self-Help Groups (SHGs) at the Anganwadi/Village/Town level. The

women's groups will be helped to institutionalize themselves into registered societies and to federate at the Panchayat /Municipal level. These societies will bring about synergistic implementation of all the social and economic development programmes by drawing resources made available through Government and Non-Government channels, including banks and financial institutions and by establishing a close Interface with the Panchayats/ Municipalities.

### **1.18 Resource Management**

Availability of adequate financial, human and market resources to implement the Policy was managed by concerned Departments, financial credit institutions and banks, private sector, civil society and other connected institutions. This process will include:

- (a) Assessment of benefits flowing to women and resource allocation to the programmes relating to them through an exercise of gender budgeting. Appropriate changes in policies will be made to optimize benefits to women under these schemes;
- (b) Adequate resource allocation to develop and promote the policy outlined earlier based on (a) above by concerned Departments;
- (c) Developing synergy between personnel of Health, Rural Development, Education and Women & Child Development Department at field level and other village level functionaries;
- (d) Meeting credit needs by banks and financial credit institutions through suitable policy initiatives and development of new institutions in coordination with the Department of Women & Child Development.

The strategy of Women's Component Plan adopted in the Ninth Plan of ensuring that not less than 30% of benefits/funds flow to women from all Ministries and Departments was implemented effectively so that the needs and interests of women and girls are addressed by all concerned sectors. The Department of Women and Child Development being the nodal Ministry will monitor and review the progress of the implementation of the Component Plan from time to time, in terms of both quality and quantity in collaboration with the Planning Commission. Efforts will be made to channelize private sector investments too, to support programmes and projects for advancement of women.

### **1.19 Legislation**

The existing legislative structure has been reviewed and additional legislative measures taken by identified departments to implement the Policy. This will also involve a review of all existing laws including personal, customary and tribal laws, subordinate legislation, related rules as well as executive and administrative regulations to eliminate all gender discriminatory references. The process was planned over a time period 2000-2003. The specific measures required would be evolved through a consultation process involving civil society, National Commission for Women and Department of Women and Child Development. In appropriate cases the consultation process would be widened to include other stakeholders too. Effective implementation of legislation would be promoted by involving civil society and community. Appropriate changes in legislation will be undertaken, if necessary. In addition, following other specific measures were taken to implement the legislation effectively.

- (a) Strict enforcement of all relevant legal provisions and speedy redressal of grievances will be ensured, with a special focus on violence and gender related atrocities.
- (b) Measures to prevent and punish sexual harassment at the place of work, protection for women workers in the organized/ unorganized sector and strict enforcement of relevant laws such as Equal Remuneration Act and Minimum Wages Act will be undertaken,
- (c) Crimes against women, their incidence, prevention, investigation, detection and prosecution will be regularly reviewed at all Crime Review fora and Conferences at the Central, State and District levels. Recognised, local, voluntary organizations will be authorized to lodge Complaints and facilitate registration, investigations and legal proceedings related to violence and atrocities against girls and women.
- (d) Women's Cells in Police Stations, Encourage Women Police Stations Family Courts, Mahila Courts, Counselling Centers, Legal Aid Centers and Nyaya Panchayats will be strengthened and expanded to eliminate violence and atrocities against women.

- (e) Widespread dissemination of information on all aspects of legal rights, human rights and other entitlements of women, through specially designed legal literacy programmes and rights information programmes will be done.

### **1.20 Gender Sensitization**

Training of personnel of executive, legislative and judicial wings of the State, with a special focus on policy and programme framers, implementation and development agencies, law enforcement machinery and the judiciary, as well as non-governmental organizations will be undertaken. Other measures will include:-

- (a) Promoting societal awareness to gender issues and women's human rights.
- (b) Review of curriculum and educational materials to include gender education and human rights issues
- (c) Removal of all references derogatory to the dignity of women from all public documents and legal instruments.
- (d) Use of different forms of mass media to communicate social messages relating to women's equality and empowerment.

### **1.21 Panchayati Raj Institutions**

The 73rd and 74th Amendments (1993) to the Indian Constitution have served as a breakthrough towards ensuring equal access and increased participation in political power structure for women. The PRIs will play a central role in the process of enhancing women's participation in public life. The PRIs and the local self Governments will be actively involved in the implementation and execution of the National Policy for Women at the grassroots level.

#### **1.21.a Partnership with the voluntary sector organizations**

The involvement of voluntary organizations, associations, federations, trade unions, non-governmental organizations, women's organizations, as well as institutions dealing with education, training and research will be ensured in the formulation, implementation, monitoring and review of all policies and programmes affecting women. Towards this end, they will be provided with appropriate support related to resources and capacity building and facilitated to participate actively in the process of the empowerment of women.

### **1.21.b International Cooperation**

The Policy aimed at implementation of international obligations/commitments in all sectors on empowerment of women such as the Convention on All Forms of Discrimination Against Women (CEDAW), Convention on the Rights of the Child (CRC), International Conference on Population and Development (ICPD+5) and other such instruments. International, regional and sub-regional cooperation towards the empowerment of women will continue to be encouraged through sharing of experiences, exchange of ideas and technology, networking with institutions and organizations and through bilateral and multi-lateral.

### **1.22 Research Objectives**

Based on the research gaps identified, following research objectives have been framed.

1. To analyze the social and economic aspects that affect women empowerment.
2. To analyze which factors strengthen women empowerment the most and which factors strengthen women empowerment the least.
3. To compare the effect of the various factors between women who have availed microfinance facility and women who are yet to avail microfinance facility.
4. To suggest strategies to Microfinance institutes to improve their financing schemes to the women customers.

### **1.23 Data Collection**

Questionnaire was used as a method as a Survey technique. Did Pilot Testing by initially distributing it to 20 women. The same was on Interval scale but the women were not comfortable with the same as they did not understand it. Then after their feedback added some more questions and changed the questionnaire. We had selected 50 branches out of 100 branches of Grameen Koota in Bangalore. And have included 250 women respondents at random 190 respondents have fully responded. Out of 190 respondents 126 women had availed disbursement of the loan and 64 women were yet to avail disbursement.

### **1.24 Research Methodology**

The method of ordinary least squares (OLS) has been used to analyze the data. As mentioned earlier, the aim of this study is evaluate the impact of microcredit on women empowerment. The OLS model suits the purpose well in that:-

- i) positive effect of microcredit on women empowerment is captured by the coefficient  $\beta_2$ .
- ii) The null hypotheses is that microcredit has no effect on women empowerment. If  $\beta_2$  obtains a significant positive value, it means that the null hypotheses can be rejected and that microcredit has a positive effect on women empowerment.

Women empowerment is measured via an empowerment index. The index is built on the empowerment indicators, which in turn are derived from the respondent's answers on the thirteen empowerment questions in the questionnaire. To be able to measure the respondent's answers to these questions a YES is transformed to a 1 and a NO is transformed to a 0. The values for each of the thirteen empowerment indicators are then summed into an aggregate index with one M point increments from 0 to 13. An individual with a high aggregate empowerment Index empowerment score is considered to be more empowered than an individual with a low aggregate empowerment index score. The OLS model, in its most basic form, only includes the dependent variable empowerment index and the independent variable microcredit borrower. The model is then built up gradually by adding one independent control variable at a time. This is done to derive how the relationship between microcredit and women empowerment changes when independent control variables are added. There are a total of twelve independent variables conducted for in the model. Thus, there are twelve models, where the most comprehensive model includes twelve independent variables. Thus, with the help of this study we have made an attempt to understand the effect of microfinance on empowerment of women.



## **Chapter-2**

### **REVIEW OF LITERATURE**

This chapter provides the review of existing research work done in the area of microfinance and empowerment of rural women. Detailed survey of literature has been done with more emphasis on the effects of microfinance on empowerment of women especially in rural areas. An attempt has been made to assimilate studies, observations and recommendations by earlier researchers.

The review will help to identify the research gaps which will play a guiding role in setting up objectives and scope of study.

#### **2.1 Introduction to Literature Review**

The Literature Review is an attempt to understand and comprehend and not merely a list of books and magazines that have been read during the course of the research. It includes the various views on “Effect of Micro-Finance on Empowerment of rural women” being researched. The effect has been studied especially in the context of rural women. What all factors affect their living standard. And also to what extent the factors are responsible to bring change in their living.

#### **2.2 Classification of Literature Review**

The literature review can be broadly classified into three broad categories namely:-

1. Studies measuring various factors responsible for empowerment.
2. Studies making comparisons between various groups or parameters.
3. Studies measuring effect of microfinance on women empowerment.

##### **2.2.1 Studies measuring various factors responsible for empowerment.**

**T. Dheepa & G. Barani (2014)** have studied in the article that there was a vision to rise the womanhood in true sense. It was the rise of the essence of womanhood in the physical, mental, intellectual and the spiritual planes. It called for the beginning of a campaign for the true rise of women in all spheres of life for the restoration of the balance in nature. The effectiveness of the program is dependent on the social awareness and acceptance of such efforts.

**Festus Nkpoyen et al. (2013)** have assessed that Micro-lending is as an empowerment strategy for poverty alleviation among women in Yale, Local Government Area of Cross River State, Nigeria in this study. Three null hypothesis were formulated to guide the study. 300 respondents participated in the study and data was analysed using Pearson Product Moment Correlation Coefficient. The study showed that increased savings, promotion of local cooperatives societies and creation of self-employment opportunities significantly related to poverty reduction. The study recommended that Micro-lending programmes should be encouraged in communities because of impact on household income and more non-governmental organizations should be involved in Microfinancing in rural areas.

**Urmila Moon (2012)** has studied the role of Self Help Group– Bank Linkage Model in Women Empowerment in this paper. The author has studied the status, progress and trends of Self-help Groups (SHGs) linkage with banks in India. The objective was to study the role of micro credit and its performance as a tool for women empowerment. The study was based on secondary data and the sources include reports and studies of various agencies, organizations, newspaper articles, journals and books. The empowerment of rural women will lead to the overall development of our economy. With these perspectives, this paper revealed whether the empowerment process had really helped the women community to develop them on economic, social and political basis.

**Jigna Trivedi, P K Priyan and Vinay Bhinde (2011)** have studied the role of Dairy Cooperatives in Women Empowerment. They have made an effort in the paper to study the role of district cooperative dairies in helping the women to be self-reliant, self-employed, self-diligent, and empowered. In this study they have concluded that the income of the respondent is dependent on the number of cattle reared, but the quantity of milk does not vary directly in proportion to the number of cattle reared. This occurs because, (a) all the cattle may not give milk at the same time; (b) at the time of artificial insemination the calving intervals are not timed properly among cattle; (c) difference in length of lactation; and (d) fertility problems in cows and buffaloes leading to low yield of milk. Due to these reasons, the quantity of milk varies, irrespective of the number of cattle reared, and so the monthly income also varies. The findings have also suggested that respondents face price discrimination on

the basis of the quality of milk, i.e., the fat content, but they do not face any price discrimination with respect to the place from which they supply the milk.

**Abhijit V. Banerjee and Esther Duflo (2011)** have studied a radical way to fight global poverty to understand the basic insights and incentives that guide poor people's decisions and lives. They argue that these people are not irrational. Instead, they are perhaps more rational than most of us because they have to live with little resources. They have discussed how the poor make decisions regarding food consumption, health, education, family size, financial services, etc. What are their motivations in their decisions? Are these decisions making them poor or do they have to make these decisions because they are poor?

**Venkatesh Kumar R et al. (2010)** have studied women empowerment in Sericulture. The article has highlighted the scenario of women in the field of sericulture and focuses on the constraints the women are facing. It was well accepted that the participation of women in sericulture and their contribution to cocoon production is substantial. And that was in addition to the usual household chores requiring four to eight hours a day, depending on the region, season, socio-economic status of the household and the family type. While the relatively high profitability of sericulture, its potential in generating additional employment, etc. are widely acknowledged, it was also necessary to highlight the enormous promises that sericulture holds for women's development. Except for dairying, there was probably no other off-farm activity which would promise as great a scope for women's development as sericulture.

**Maiga Kruzmetra et al. (2009)** studied risk reduction as the pre-condition for sustainable development. The aim of the research was to examine the possibility, manifestation, levels and models of partnership. The objective of the paper was to analyze the existing cooperation features in the micro credit movement, its transformation into partnership and application possibilities in reducing risks. The system of the micro credit movement contains four blocks. The results of the analysis of partly structured interviews with experts show that micro credit movement consists of a complicated networking system; the mutual cooperation within the system has the tendency of developing towards partnership. The move towards partnership in the micro credit movement would influence further reduction of risks and promote the sustainable development of small businesses in rural territories. Micro-crediting has been used as one of the methods for increasing economic activity of women in Latvia

encouraging new businesses and employment (self-employment). Micro-crediting in Latvia is based on such well-established support instruments and complex activities as the linking micro credits with the so-called mechanism of social guarantees (granting a loan for the group of 3-5 individuals, one of which uses the loan for starting a business in the order of rotation; other group members share the commitment as guarantors and carry out support activities) that are closely connected with NGO activities. The authors of the paper created the risk evaluation system in the micro credit groups on the basis of the above analysis of the risks. The risks were divided into two groups - social and economic risks. The social risks included the lack of information, the lack of experience, insecurity, problems in group formation, the lack of the family support; the economic risks included the lack of money, the lack of premises/equipment, insufficient demand, the lack of initiative, and changes in law, the lack of employees.

The results of the survey provide the information for the analysis of the risks faced by those rural women who intend to start their business in the future, and the attitude towards risks by those women who have experience in micro crediting. The knowledge of law has improved, the family support has increased, the experience has grown, and the information gap has decreased as a result of the use of social capital. On the other hand, insecurity has decreased only slightly, because women have doubts about the demand of their product or service; the need for financial resources has remained the same.

**Prema Basargekar (2009)** in this study has done an Impact Analysis of Annapurna Mahila Mandal (AMM), an Urban Microfinance Institution in India. The paper had dealt with the factors responsible for the inception of AMM, the role of a social entrepreneur in its development, its objectives, its strategies, and its growth over the years. The second part had dealt with the assessment of economic and social empowerment of member beneficiaries due to this movement, by using the survey method. The survey revealed that while economic empowerment of members, in terms of income generation, asset creation and monthly expenditure, were marginal, it is significant in terms of savings. The survey also revealed that the members of AMM experienced a significant rise in self-esteem, self-respect and leadership qualities. The objective of the research paper was to understand the forces responsible for the emergence and growth of one of the leading microfinance movements in urban India and to make impact assessment on its beneficiaries through a case study method. The

promoters of AMM believed that all these four forces are interlinked and reinforce each other, finally leading to women empowerment. The impact of AMM's micro credit movement on the development of self-empowerment was significant. There was a substantial improvement in various parameters of self-empowerment such as self-awareness, economic independence, self-esteem, social status, group bonding and leadership qualities. It has also been stated that years of association with AMM has been an influencing variable to bring out a desired impact. The years of association has been significantly correlated to develop the feeling of self-esteem, group bonding and social awareness. Thus, AMM has successfully tried to imbibe these core values by building their trust in the long run.

**Deininger K. & Liu Y(2009)** has evaluated the SHG-based micro credit model using a large-scale World Bank-supported intervention in the state of Andhra Pradesh, India in this paper. They have studied the "Longer-Term Economic Impacts of Self-Help Groups in India." They used two rounds of a 2,400 household panel, and used double differences, propensity score matching and pipeline comparison to assess economic impacts of longer exposure of a program that promoted and strengthened self-help programs. The analysis found that the longer program exposure had positive impacts on consumption, nutritional intake and asset accumulation. Also, the study results suggested that the program that not only fostered group formation, but also supported more mature groups through federation and credit access can have significant economic benefits in the long term. However, they also suggested that a research to be conducted to determine the extent to which benefits would be maintained once outside support is terminated and that would also help assess the overall desirability and impact of such programs.

**D. A. Patil et al. (2009)** have studied ICT and Empowerment of Rural and Deprived Women in Asia in this study. The Role of Information and Communications Technologies (ICTs) as a tool for development has attracted the sustained attention of the government and NGOs. The millennium declaration adopted in 2000 underscored the urgency of ensuring that the benefits of new technologies, especially ICTs, are made available to all. ICTs can be a powerful catalyst for political and social empowerment of women and the promotion of gender equality.

The paper had examined some key ICT-based initiatives in Asia in general and India in particular which are specifically designed for the empowerment of rural and deprived

women. It has shown how ICT-based initiatives empower rural and deprived women; it tried to clarify a theoretical dilemma between meaning and measurement of empowerment and provided a holistic definition of Empowerment. Also, it focused on the twofold need to address some of the social and technical challenges as well as policy suggestions to use ICTs proactively and effectively to promote gender equality and for the empowerment of rural and deprived women. The main Objectives of the study were:-

- To understand the role of ICTs for women empowerment.
- To study how ICTs are helpful for the empowerment of rural and deprived sections women.
- To suggest policy implications for the effective implementation of further ICT based programmes.

The study was based partially on the primary data of the Warana Wired Village Project (WWVP), Kolahpur, SEWA, Gujarat, NIRD, Hyderabad. The study had also used through Personal Interviews, Observations, Focus group discussions to collect primary data. Thus, the study concluded that woman's social disempowerment is often strongly linked to her isolation from information that she needs and this includes her ability, opportunity and space (both virtual and non-virtual) to communicate in her own language with others for this information. However, social empowerment includes two basic areas like health and education during the last ten years several ICT based initiatives have been implemented to empower rural and deprived women.

**Sureswari Prasad Das (2009)** in this article the effect over the dairy business programme was undertaken by the Women members of an SHG members promoted by an NGO, Gram-Utthan in the district of Kendrapara, Orissa is studied. The main aim of the programmes of Gram-Utthan was to provide credit support to the rural women to develop household dairy units as a method for sustainable livelihood. The project objectives have been formulated as:

To improve credit absorption capacity of rural women and thereby increase their credit worthiness. To expand livelihood options for rural households in the non-farm sector through identification of economic opportunities and provision of business support services. To promote self-mobilized, self-managed and self-owned primary co-operatives of women. The project duration was of three years and had its quarterly, six

monthly arrangements for release of funds to Gram-Utthan for organizing the envisaged capacity building programmes. The consulting team had conducted a survey of the dairy business as a case, taking a sample of 50 beneficiaries in 10 villages out of 20 that were covered under the dairy development project promoted by Gram-Utthan. The survey covered caste wise composition, social groups, income groups, investment category, loan status, status of milk production, income from dairy activities, profit from dairy activities, purchase and sales price of milk, milk collection by societies, other business by societies, problems in backward and forward management, social and economic impact and finally expenditure on different items. The contribution of Gram-Utthan was also noteworthy in the sense that it provided the land and facilitated the process of establishing the plant. Apart from the economic aspect, the women were also empowered in social aspects through their respective cooperatives as they addressed the personal and social issues together. This change itself had been a way forward to providing alternate livelihood to people and thereby reducing poverty.

**Shoma Mukherji and Neera Jain (2009)** have studied about women and non-governmental organizations in Kuwait. In this study they have undertaken to explore the efforts of a woman who were seeking alternative lifestyle embedded in the sustainable living resulted in the empowerment of a group of destitute women. It has been found that the model could be adopted by other persons and groups as well to bring about the transformation in the society thereby resulting into a social and economic development. The case has described the power of transformational leaders and has looked at what leaders could do and achieve for the community, with their limited resources. The project is about the joint efforts of Jyoti and Kakoli's, which have resulted into the formation of Satya-Jyoti Trust which is a registered nonprofit organization. The trust has been promoting sustainable farming through adopting socially and environmentally responsible business practices. The farm provides place for the operation of this Trust which seeks to work with the people of this region as well as others by means of skill based education and training, income generation for self-sustenance, healthcare and preservation of natural resources. Their aim was to make such women stronger from within, make them able to recognize their potential and become confident about their worth. They are also taught to focus on the present while using their past as a tool to build a firm foundation for the future. They are given love and understanding to enable them and find their own feet. Their greatest

achievement has been providing a platform for women from the lower rung of society to learn and empower themselves and bring about their own development and growth. This empowerment at grassroots level will create momentum for societal transformation to take the community forward.

**Swain R. and Fan Yang Wallentin (2009)** have argued in this paper that women's empowerment takes place when women challenge the existing social norms and culture, to effectively improve their wellbeing. The article shows both conceptually and empirically that the SHG programmes microfinance services positively contribute to the change and empower women. The hypothesis has been empirically validated by using quasi-experimental household sample data collected from five states in India for 2000 and 2003. A general model has been used to estimate the same by employing appropriate techniques to treat the ordinal variables in order to estimate the impact of the Self Help Group (SHG) on women's empowerment for 2000 and 2003. The data for the year 2000 is recall data. The respondents were randomly selected from the SHG members at the district level. The members of the control group were chosen to reflect a comparable socio-economic group to the SHG respondents. The household sample consists of 961 women respondents. The sample includes a group of SHG members who have participated in the programme (805) and a control group (156). They have made use of the household survey data with a quasi-experimental design to address the 'problem of attribution'. As such the information is collected on the SHG households and a control group, which contains information on non-participating households with similar characteristics. The results strongly demonstrate that on an average, there is a significant increase in the empowerment of women in the SHG members group. No such significant change is observed however, for the members of the control group. The elegance of the result lies in the fact that the group of SHG participants show clear evidence of a significant and higher empowerment, while allowing for the possibility that some members might have been more empowered than others.

**Mayoux L. & Valley Research Group (2008)** found in this paper that apart from wealth creation, women also had additional benefits of increased access to healthcare, reduction in gender discrimination, increase in self-confidence, reduction in domestic violence. Women empowerment program called WORTH took place in Nepal and reached out to 125000 women and implemented a core concept of Village Banks which helped in wealth creation for village women. Moreover, WORTH program also



encouraged women to become literate. This program also taught entrepreneurship to women, to enable them to start small businesses with microfinance. The model of microfinance used by WORTH, was savings based microfinance as opposed to the more common credit based microfinance. Savings based microfinance relies on contributions of equity holders whereas credit based microfinance rely on an external source of funding. The program enabled women to be agents of overall poverty reduction.

**Lia CH Fernald et al. (2008)** studied in the developing world, access to small, individual loans has been variously hailed as a poverty-alleviation tool. At the same time it has been concluded that micro credit has also been criticized as "usury" and harmful to vulnerable borrowers. Prior studies have assessed effects of access to credit on traditional economic outcomes for poor borrowers, but effects on mental health have been largely ignored. In this study the authors investigated the effects of participating in a small, individual cash loan program on depressive symptoms and perceived stress in a sample of adult women and men in the article. They hypothesized that improved access to a credit program and consequent improvements in SES would be associated with positive impacts on mental health in this population due to the alleviation of stress related to poverty. Applicants who had previously been rejected ( $n = 257$ ) for a loan (200% annual percentage rate – APR) from a lender in South Africa were randomly assigned to a "second-look" that encouraged loan officers to approve their applications. The randomized encouragement resulted in 53% of applicants receiving a loan they otherwise would not have received. All subjects were assessed 6–12 months later with questions about demographics, socio-economic status, and two indicators of mental health: the Center for Epidemiologic Studies – Depression Scale (CES-D) and Cohen's Perceived Stress scale. Intent-to-treat analyses were calculated using multinomial prohibit regressions. The randomization into receiving a "second look" for access to credit increased perceived stress in the combined sample of women and men; the findings were stronger among men. Credit access was associated with reduced depressive symptoms in men, but not women. In conclusion the findings suggest that a mechanism used to reduce the economic stress of extremely poor individuals can have mixed effects on their experiences of psychological stress and depressive symptomatology. The data supported the notion that mental health should be included as a measure of success (or failure) when examining potential tools for poverty

alleviation. Further longitudinal research is needed in South Africa and other settings to understand how borrowing at high interest rates affects gender roles and daily life activities.

**Amanda M. Heter (2008)** in this thesis has examined Fundación Paraguaya's *Comité de Mujeres Emprendedoras* (village banking) program and analyzes its potential as a tool for poverty alleviation, female empowerment and social change in Paraguay. The data for this thesis was collected over a three month period in 2007, and is based on interviews and file data from clients of the CME program. The research focuses on clients' work histories, their roles as micro-entrepreneurs and caregivers, and their experiences within the CME program. This thesis argues that in order to comprehend the significance of village banking in Paraguay, one must take into consideration the importance of self-employment for women who balance family and work, as well as the impact of capital and non-financial services. Although the CME program appears to be contributing to poverty alleviation and empowerment in Paraguay, this thesis contends that by adopting a more gender oriented approach, and incorporating aspects of the "feminist empowerment paradigm," Fundación Paraguaya could create a more complete development tool, thereby increasing the potential benefits to women and promoting greater social change.

**A K Makar and D C Kalita ( 2008)** attempted to analyze women's empowerment through participation in rural development. The paper had mainly used the secondary data from various sources to justify the role played by women in various fields of development activities towards removal of gender inequality, work force in agriculture, political participation, entrepreneurship development, and rural development. In the context of globalization, the paper was meaningful from the viewpoint of exploring potentialities for empowerment of women and the required policy prescription suited to different socioeconomic environment. It revealed that women were participating in every activity which is sine-qua-non for rural as well as economic development of any country. Therefore, the government should take appropriate policies towards reservation of women, information access with proper data base system exclusively for women, paving the way for integrated women's development in rural areas. Besides, appropriate education facilities for rural women should be provided for their socio-economic upliftment as per situation—specific technical feasibility, coupled with effective information access system to make any policy fruitful. The female workers

are mainly confined to rural areas. They are playing a great role in rural areas by participating in the work force. Although their rate of participation is less, their service as workers is very important in the development of economy as well as society. The female participation rate in India was more in Himachal Pradesh, Andhra Pradesh, Madhya Pradesh and Maharashtra. While in some other states, like Punjab the Female participation is very less. It had also been seen that the female workers are playing a significant role in the economic sector. Women can play a vital role in rural development program, the idea of 'cluster entrepreneurship', combining entrepreneurship and development strategies (e.g., in fruit processing industry), will ensure a symbiotic relationship between women entrepreneurs and the rural areas. But women's participation in politics is still very low as compared to men's participation. In India, women constitute nearly half of the rural population and play a vital role in the rural economy. They need to be considered equal partners along with men in the development process. Education and training will go a long way in achieving this goal and help in raising the status of women enable development of their potential as independent and equal partners. The purpose of providing education to women is to enable them to think critically, identify their strengths and take conscious, informed decisions, empower them to play a positive role on their own in the development of the nation.

**Rafiqul Bhuyan Rafiq et al. (2007)** analyzed in the paper and identified the factors affecting women's decision making out the loan use. They had used primary data from two microfinance institutions in Bangladesh—Grameen Bank, the pioneer of microfinance institutions, and Bangladesh Rural Advancement Committee (BRAC), the largest NGO (Non-Governmental Organization) in Bangladesh. The authors have identified certain factors that would influence the women to take more independent decisions about the loan use. The analytical framework of the study had been used to examine the relationship between decision making of the loan use and the empowerment of the women (borrowers). The paper was developed and analysed based on the questionnaire survey. One hundred and eighty individual borrowers were selected randomly who are involved in the credit programs of BRAC and Grameen Bank. Of the total sample, ninety borrowers of Grameen Bank were randomly selected from three villages in the Comilla district and the other ninety BRAC borrowers were randomly selected from five villages in the Joydebpur district. The names of the

borrowers were obtained from the offices of BRAC and Grameen in the mentioned districts. Semi structured questionnaires were used to collect information from the borrowers. This method had made it possible to obtain accurate and sensitive information on decision taking behaviour of the borrowers. They also suggested the future directions for research the following areas are proposed to be looked at: Whether the household surveyed can keep their higher standard of living in future is questionable? Can the women use their empowerment to the successful future investment? Future research in this area with longitudinal time series data taking the same household under the above study after one year or two years could yield insightful results is recommended? Another obvious future avenue of research is to explore further the impact of assets holding by the women.

**Jyotish Prakash Basu (2006)** has studied Microfinance and Women Empowerment with special reference to West Bengal. The paper has examined the two basic research questions. First, how a woman's tendency to invest in safer investment projects can be linked to her desire to raise her bargaining position in the households. Second, women empowerment is examined with respect to control of savings, control of income, control over loans, control over purchasing capacity and family planning in some sample household in Hooghly district of West Bengal. The study is based on Nash bargaining game theoretic model. They have also done an empirical study based on 100 SHG members in the Hooghly district, West Bengal in 2006. The empirical findings have show that the empowerment of women is established in weak form using the above indicators. This paper has important policy implications; they have emphasized the strategy of financial inclusion in the wider context of economic growth and financial deepening.

**M. Pilar Ramirez (2006)** has studied the achievements and limitations of Empowering Women through Microfinance at Bolivia. It has been found that Microfinance is an effective development tool for poverty reduction for the simple reason that financial services enable poor low – income households to take advantage of economic opportunities, to build assets, and to reduce their vulnerability to external shocks that adversely affect their living standards. The author has felt that microfinance has made impressive strides to reach out to women and the poor to provide them financial services. He also believes that the growth in microfinance is spread to urban areas and women in rural areas are largely excluded. He is also of the opinion that microfinance

plays a limited role in empowerment of women. Empowerment of women also depends on other aspects such as political choice of communities and not microfinance alone.

**Emily Esplen, Shirin Heerah, and Chris Hunter (2006)** have discussed the third Millennium Development Goal (MDG) on gender equality and women's empowerment in this paper. They have highlighted ways in which the indicators associated with this goal – women's access to education, share of non-agricultural wage employment, and political participation can contribute to women's empowerment. Each of these indicators has the potential to bring about immediate changes in women's lives, along with long-term transformations in patriarchal power structures. They have also seen that unless provision is made to ensure that policy changes are implemented in ways that allow women themselves to participate, monitor, and hold policy makers and corporations accountable for their actions, the potential for women's empowerment will be limited.

**M-CRIL (2006)** has found in this paper that the needs of microfinance industry of India in 2006 can reach 72 million households in 5 years, if the required funds are made available to them in time. To achieve this, the microfinance industry required Rs.6295 crores. The paper argued while majority of this funding would need to be provided by Govt., private investment also needed to be encouraged. Apart from that, a legal framework for microfinance institutions would have to be created to supplement and regulate this growth and ensure microfinance reaches poorest sections of society.

**M S Sriram, (2005)** In this article the author has looked at certain design features of microfinance in order to understand the innovation of microfinance and how it has proved to be effective. He had first started by identifying the need for financial service institutions which is basically to bridge the gap between the need for financial services across time, geographies, and risk profiles. In providing services that bridge this gap, formal institutions have limited access to authentic information both in terms of transaction history and expected behavior and, therefore, resort to seeking excessive information thereby adding to the transaction costs. In this paper, the author has attempted to examine the trajectory of institutional intermediation in the rural areas, particularly with the poor and how it has evolved over a period of time. It has identified a systematic breach of trust as one of the major problems with the institutional interventions in the area of providing financial services to the Poor and argued that microfinance used trust as an effective mechanism to address one of the issues of

imperfect information in financial transactions. The paper has also distinguished between the different models of microfinance and identified which of those models used trust in a positivist frame and as a coercive mechanism.

**Kabeer N (2005)** have argued in this paper that the poor are vulnerable to all sorts of social and other risks, more than anyone else. Of these, women are almost every time at receiving end. They are denied mainstream financial services and have to depend on moneylenders with high rates of interest. Microfinance fills this gap and provides the poor with a viable financial option. However, the author has stated that microfinance helps implement economic, social and political changes in the poor. The author has noted with a caution that even there is little evidence to prove that microfinance has actually lifted a lot of women out of poverty to an extent that they become eligible for mainstream financial services. There is no 'magic bullet' to empowering women through microfinance. The author has concluded that empowerment included other factors such as development, education programs for women, which cannot be substituted by microfinance.

**Padia, V. (2004)** have studied on Micro Finance and Social Mobilization for Women's Empowerment - A Case Study of DHAN Foundation. It has been found in this article that microfinance empowers women financially and socially. It also enabled women to be more mobile. Social status of women also improved. Working closely within a group helped women in discarding caste based hierarchies. Also, it reduced dependence on money lenders and gave women significant control over income. However, this process of empowerment is still evolving into more sustainable models.

**Chitaurio L. (2004)** has studied about The Economic Empowerment of Women through Microfinance in this article. It has been concluded in this article that microfinance raised standard of living of women. However one of the biggest challenges in sparsely populated areas where women have difficulty in creating large economic groups was to create a sustainable business. There were social challenges as well such as spouses using the micro credit money. In this report they have dealt with economic impact of women's empowerment through microfinance in Mali, Africa. It was generally concluded other important aspect for success of microfinance is training and education. The participants of workshop agreed on that instead of cash, micro credit should be used to provide equipment to women.

**Mayoux L (2003)** has studied, in *Women's Empowerment and Participation in Micro-finance: Evidence, Issues and Ways Ahead*, about has argued about methods used by microfinance agencies to sustain themselves financially, which sometimes go against interest of the women. He has further argued that microfinance programs should be specifically designed to empower women, rather than that component being an add-on. It has been argued that microfinance is used as a major tool for poverty alleviation and gender equality since 1990's. Microfinance does play a role in empowering women. However he has found that it is not an automatic path to women's emancipation and in some cases the effect of microfinance is minimal in lifting the status of women.

**Naila Kabeer, (2000)** has argued that there are three dimensions of choice which are indivisible in determining the meaning of an indicator and hence its validity as a measure of empowerment. In this paper the author has seen that understanding women's empowerment is about the process by which those who have been denied the ability to make strategic life choices acquire such an ability. A wide gap separates this procedural understanding of empowerment from the more instrumentalist forms of advocacy which have required the measurement and quantification of empowerment. The ability to exercise choice incorporates three inter-related dimensions: resources (defined broadly to include not only access, but also future claims, to both material and human and social resources); agency (including processes of decision making, as well as less measurable manifestations of agency such as negotiation, deception and manipulation); and achievements (well-being outcomes). The notion of choice is further qualified by referring to the conditions of choice, its content and consequences. These qualifications represent an attempt to incorporate the structural parameters of individual choice in the analysis of women's empowerment.

**Mary E. Vermeulen, Carole W. Minor (1998)** have studied about the women reared in a rural community in this study. They have studied and investigated the influences on the career decisions of women who grew up in a rural community. This study has identified influences on the career decisions of women reared in a rural community. Specifically, two questions have guided the research (a) What factors have influenced the career decisions of women from a rural area? And (b) how have these factors differed over time? The influences on the occupational decisions of the participants in this study were grouped into three components: context, gender role beliefs, and factors. In the following sections, each of these components is described in detail and

illustrated by participants' quotations that specify the comments that resulted in identifying that component.

**Reaching and Empowering Women: Towards a Gender Justice Protocol for a Diversified, inclusive, and sustainable financial sector.** The paper aimed to be a catalyst for serious debate about ways forward, and the starting point for future lobbying to establish an agreed gender justice protocol for the microfinance sector. It argued that there are steps that all financial institutions can take to improve women's access to finance, ensure financial products are appropriately designed, utilize gender-based indicators for effective monitoring and assessment of impact, enact consumer protection measures, and advocate on behalf of women in the public sphere. The above framework has been taken as its starting point that the idea of a diversified financial sector, where different players may have different focuses and roles, but where each stakeholder would make a firm commitment to gender equality of opportunity and women's empowerment, and would integrate these principles into their organizational structure, product and service delivery, and role at macro- and policy-levels.

It has been observed that different factors are affecting women in different ways. In few studies, it has been found that microfinance is not an automatic path to women's emancipation and in some cases the effect of microfinance is minimal in lifting the status of women. But the overall scenario is that whether it is the economic, social, political empowerment, microfinance has made a considerable effect on the lives of people especially the women. At times women are not the direct end-users of the money, their husband or son or father may be using the same but ultimately the condition of the family improves which brings effectiveness in the whole system.

#### **2.2.2 Studies making comparisons between various groups or parameters.**

**Punita Bhatt Datta, Robert Gailey (2012)** have studied about empowering women through Social entrepreneurship. Women's cooperatives offer self-employment opportunities that can contribute to women's social inclusion and empowerment. This article has sought to broaden existing understandings of women's entrepreneurship by focusing on less studied types of ventures and contexts— namely, a social entrepreneurial venture in India. Here, a case study analysis has been used to assess two primary areas of interest:

- (1) elements of empowerment embedded in the venture's business model and



(2) individual perceptions of empowerment.

The study had utilized a persuasive case study approach to examine both the institutional structures, or business models, that support women's empowerment and the self-perception of empowerment by the women-owners of the institution. While a persuasive case study can never be used to prove a theory, it can be useful to illustrate, motivate, and inspire readers to better understand and appreciate a particular theory for the study. Seven women were interviewed and their qualitative responses provide the basis on which we deduce our research findings (Eisenhardt & Graebner, 2007). An interpretive approach to the women's answers was used to allow cultural values to help define the meaning of "empowerment." We also considered the agency of the participants and their ability to bring about their own social change (Calás et al. 2009). Through the interview process and document analysis, they sought to better understand how the women owners of Lijjat felt about their own empowerment. The personal accounts of sister members reveal that this collective form of entrepreneurship has empowered them in three ways: economic security, development of entrepreneurial behavior, and increased contributions to the family.

**Supriya Garikipati (2012)** has examined the impact of micro credit on male and female time use, and drawn analysis to explore the linkages between credit and women's empowerment in this study. She has concluded that study of time use can help understand these linkages, because if credit is intended to improve women's livelihoods, it can also be expected to influence the way women allocate their time. Its other advantages are that it does not suffer from much time lag and can be objectively measured. Using household survey data from rural India, the findings show that while micro credit has little impact on women's time use, help their husbands move away from wage work (associated with bad pay and low status) to self-employment. This is because women loans are typically used to enhance male ownership of the household's productive assets. Further, it has been found that it is only women whose loans in self-managed enterprises who are able to allocate more time to self-employment. If credit is intended to increase the value of women's work time, it follows that it is not access to loans but use of loans that matters. Ensuring women's control over loan-created assets must therefore be a critical policy objective.

**R. Subashini and K Jeyakod (2012)** have studied the impact of Institutional Finance on Women Empowerment. The micro credit was initiated to develop the rural poor. The commercial banks and microfinance institutions are playing an important role in disbursement of micro credit. The ultimate aim of micro credit is to uplift the economic and other empowerment among the women. The present study has made an attempt to examine this aspect in Madurai district, Tamilnadu. The study revealed that there is a significant increase in leadership, decision-making, personality, economic, social, managerial and political and legal empowerment due to the micro-credit offered by the commercial banks.

**Kazi Abdur Rouf (2011)** has studied the impact of the GRAMEEN BANK upon their patriarchal family and community relations of women borrowers in Bangladesh. The purpose of the study has been to: (1) examine the degree to which women borrowers of the Grameen Bank are being empowered to participate in familial decision-making around the management of income and expenditures like food, children's education, dowry and teenage marriages; and (2) to examine women borrowers' engagement in community activities such as the degree of freedom women are granted to visit public places like schools, local councils, banks and markets. The study has found that the Grameen Bank program has had a positive impact upon the borrowers' relations in the family and community.

**Sarahat Salma Chowdhury, Sifat Adiya Chowdhury (2011)** have done a panel data analysis Using Evidence from Rural Bangladesh. In this paper they studied the fact why demand for credit is rising among women has offered a way to empowerment of women. They had utilized the above fact and used a panel data survey to measure individual level outcomes such as labour supply, asset accumulation and family planning and household level outcomes such as children education and household expenditure per annum from participating in a credit program. The outcomes have been compared to outcomes that can be achieved from borrowing loans from a non-program source. By comparing the outcomes, the benefit of microfinance is extracted, which in turn, is further analysed in terms of whether they indicate empowerment of women. This paper has thus proved that there are intra-household benefits of borrowing by women which, overtime, can bring them the support from family members and eventually lead to independence over self-decision making.

**Naila Kabeer (2011)** has studied between Affiliation and Autonomy: Navigating Pathways of Women's Empowerment and Gender Justice in Rural Bangladesh in this article. In as much as women's subordinate status is a product of the patriarchal structures of constraint that prevail in specific contexts, pathways of women's empowerment are likely to be 'path dependent'. They will be shaped by women's struggles to act on the constraints that prevail in their societies, as much by what they seek to defend as by what they seek to change. The universal value that many feminists claim for individual autonomy may not therefore have the same purchase in all contexts. This article has examined processes of empowerment as they play out in the lives of women associated with social mobilization organizations in the specific context of rural Bangladesh. It has also drawn the narratives to explore the collective strategies through which these organizations sought to empower the women and how they in turn drew on their newly established communities of practice to navigate their own pathways to wider social change. It was concluded that while the value attached to social affiliations by the women in the study is clearly a product of the societies in which they have grown up, it may be no more context-specific than the apparently universal value attached to individual autonomy by many feminists.

**Vanaja Menon, Mili Sarkar (2011)** have studied women participation and paradoxes in Management of Small Scale Industries in this study. The study has attempted to identify the regional dichotomy in the level of women participation by focusing on nine urban and six rural small business units purposively selected from two States in India. Hypotheses were tested with primary data collected with questionnaire administered in aforesaid regions focusing on a sample of 200 women entrepreneurs. Chi and z tests were used and results were modeled to express regional disparity in level and nature of women participation. This study has developed a new paradigm that facilitates further research in this field. This paper had concluded with a hope that more women enrolling to higher education could enhance interest and skill to manage own business by the future generations.

**Lubna Al-Kazi (2011)** has studied Women and non-governmental organizations in Kuwait. The article has critically reviewed the role of women's non-governmental organizations (NGOs) in Kuwait in supporting human and educational development. The spread of NGO's in any society is an indicator of the involvement of citizens in the events around them, whether in human resource development (HRD) or political

advocacy. They act as a check and balance of the government, as they represent the public. This article has specified the historical development of women's NGO's in Kuwait and the challenges they faced in building commitment to gender equality. Author has illustrated how they lobbied with government and have become key stakeholders in national HRD planning. The article provides an overview of the lives of Kuwaiti women from the mid-1950s to the present to introduce the changes that took place in the oil era, from 1970s onwards. Also in the next section she has described some of the structural constraints that prevented society gaining the optimum benefit from women's involvement in development. Finally, this article has concluded that both men and women need to know that gender equality is a core development issue. By spreading awareness on the disparities that exist whether in jobs, credit or ability to participate in public life, NGOs can garner support from the public and perhaps influence women members of Islamic and secular NGOs to promote change that will lead to effective development. This article also shows how NGOs are a platform for social change. Furthermore, the article emphasized that there is a need for collective action among women and NGO's involving a wide spectrum of women. The aim of the author in this article is to explore how women have contributed to the development process and human capacity building by their involvement in women's NGOs. Thus, they have the power to lobby and affect change. However, a major task is to involve more women from the grassroots level.

**Rupinder Kaur (2010)** has studied the Institutional Structure and Women Empowerment. The study was based on primary data collected from dairy farming households in Punjab, India. An effort was made to examine the women's access to resources and control over produce and earnings, particularly in the context of certain institutional innovations introduced by the District Co-operative Milk Producers Union Limited (DCS). The study also brought out that institutional innovations have some positive impact. Nevertheless, women in DCS have not brought any major change in the established hierarchy. The objectives of the present study were as follows: She had also assessed the gender differences in a.) Levels of Education, b.) Membership of institutions (organisations relating to milk collection and processing), c.) Access to credit, d). Access to information, and e.) Control over resources in the study area. The primary data were collected in year 2000 from rural milch animal households in the state of Punjab India. A sample of 200 households was drawn on the basis of three

stage stratified sampling design. The first step was to choose two milk plants; one in the private sector and another under the co-operative ownership and management. It was decided to opt for two largest units, one each from co-operative and private sector. An MNC, Nestle India Ltd. at Moga and a co-operative sector unit at Ludhiana were selected on that basis. One of the objectives was to see the impact (and hence its implications) of these two different institutional structures on the welfare of the milk producers, especially women. In total four villages from Ludhiana and Moga (catchment areas of the above stated two milk plants) were selected for primary survey. Equal number of milk animal households was surveyed from these areas. One of the aims of Operation Flood Programme in India was to utilise female family labour productively for dairy production. Purpose was to enable them to change their status from non-earners to earners. It was visualised that this will break the isolation of women through interaction with others, improving their status within the family and society. For collection of household data, a comprehensive questionnaire was canvassed through direct personal interview method. Invariably information was collected from the women members of the household. It was concluded that to increase women's access and control, affirmative action was required in a number of areas. It includes financial incentive schemes like credit, more effective women membership of DCS by increasing their control, increased representation of women in administrative and field staff. Finally, gender sensitization of both male and female staff was also very important in achieving desired results.

**Sayma Rahman et al. (2010)** have studied the factors influencing women's empowerment on micro credit borrowers in Bangladesh. The study had viewed women's empowerment from an emancipation perspective. The study has used quasi-experimental approach to compare women's empowerment between micro credit borrowers and non-borrowers. Using control-group method (non-borrowers from non-programme villages), the study had identified factors that influence women's empowerment. It has also examined the impact on women's empowerment of borrowers having different levels of income. Results show that non-borrowers are equally empowered as micro credit borrowers. It has also been found that age and education levels of women are significant factors in such an empowerment. Control-group method has been used in this study by comparing micro credit borrowers with non-borrowers from non-programme villages. Since there are no two identical villages

or households, again comparison studies will not give unbiased results. The uniqueness of the study lies on the way the women's empowerment has been defined. The study attempts to identify factors that affect women's empowerment. The underlying research question was, 'Are there any differences between borrowers and non-borrowers in terms of empowerment? They have used primary data from borrowers of two major micro credit institutions in Bangladesh, such as the Grameen Bank and BRAC, collected through a structured questionnaire. The samples of borrowers are randomly selected without replacement from the list of households available from the programmes' local office in each village. From all three districts 387 borrowers and 184 non-borrowers were interviewed through a structured questionnaire. To reduce heterogeneity bias in this study they used quasi-experimental approach by comparing micro credit borrowers with non-borrowers as control group selected from non-programme villages.

The overall picture showed that in terms of awareness there is no difference between borrowers and non-borrowers. However, the individual depiction shows that borrowers of Gazipur and Chokoria are more empowered in terms of general knowledge compared with non-borrowers, but not in Dinajpur. It had been observed from the analysis that the age of female has negative effects on empowerment. That implies that younger females are more empowered. They have also found that the education of female affects empowerment positively – this showed the importance of education towards women's empowerment. The most interesting finding is the age and education of the male partner. It appeared that young and educated males encourage females to be more empowered. It has been further observed that assets are positively related to women's empowerment.

**Vetrivel S.C. and Chandra kumaramangalam S.(2010)** have studied the IPO in the India Microfinance Industry. They have found that Micro finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, micro finance scene is dominated by Self Help Groups (SHGs) Bank Linkage Programme aimed at providing a cost effective mechanism for providing financial services to the "unreached poor". Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme has been successful in not only in meeting peculiar needs of the rural poor, but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment.

**Vinita Kalra & H.P. Mathur (2010)** have studied Kudumbashree – A Silent Revolution for Reaching the Unreached. Kudumbashree, the State Poverty Eradication Mission in Kerala, is a holistic, participatory, women oriented innovative overarching poverty reduction approach launched by State Government, with the active support of the Government of India and the NABARD for wiping out absolute poverty from the State. The mission had been started in the context of the need to wipe out poverty through microfinance intervention programme.

Thus, the programme covered not only credit but also a number of non-credit services (like insurance, vocational training, literacy, leadership skills, social empowerment, etc.). The Kudumbashree programme was classified as a Neighborhood Group (NHG). In the initiative three-tiered structures, composed of NHGs federated into area development societies at the ward level, which were in turn federated into a community development society (CDS) at the municipal level, were formed. Quality of Kudumbashree NHG microfinance and NABARD linkages have infused confidence to the extent that nine banks, for the first time in the country had given housing loans to women run microfinance groups. By-products of the state's microfinance model include S3 (self-sufficient, self-reliant, sustainable *Panchayat*) that provides resource-utilization, and *Balasabhas*.

**Nahid Aslanbeigui et al. (2010)** have assessed Micro credit in Bangladesh in this research. It has been suggested that in assessing the impact of micro credit, it is essential to consider generational and inter-generational differences in the lives of borrowers and their families. The paper had employed results of ethnographic work conducted in January 2008 on long-term borrowers of the Grameen Bank in Bangladesh. They have interviewed ten village women in three districts located in the vicinity of the capital city: Manikgonj, Dhaka and Gazipur, each interview has lasted for approximately two hours. To maintain uniformity across subjects, they have used a structured questionnaire. Many questions were open-ended, and subjects were encouraged to respond with as much detail as they felt comfortable. After that the representatives of Grameen Bank identified interviewees on the basis of our two criteria. Because of time constraints, subjects would be located within commutable distance from Dhaka, where they were based. Since they were investigating long-term impacts of micro credit, subjects would have an extensive micro credit history. Subjects were chosen on interview days depending on the availability of Grameen's branch

officers and the interviewees themselves. The services of an interpreter fluent in several Bengali dialects were also utilised. Interviews were conducted in the homes of the subjects. Periodically, family members, Bank officers, or neighbors dropped in on the conversations but did not stay for the entire duration of the interviews. The observed composure of subjects did not vary with the number, status, or gender of observant. The sample was small and not random because they do not perform statistical analysis on the data, these considerations are immaterial to the conclusions. The proposal had called for an analysis of long-term trends in life histories and intergenerational effects of micro credit that is missing in the literature.

**Malhotra Gunjan et al. (2010)** have analyzed whether launching an IPO is a viable option for a microfinance company like S.K. S Microfinance. They had employed the approach of identifying the dimensions of the business decision to launch an Initial Public Offer while maintaining a trade-off between the mission of the microfinance companies of poverty alleviation and their vision of attaining economic profitability in the paper. Towards the end a comparative analysis has been made between three microfinance companies namely SKS Microfinance of India, Grameen Bank of Bangladesh and Banco Compartamos' of Mexico to analyze their business models and to find out which model is SKS Microfinance more close to. The paper had compared between the three microfinance companies based on secondary data, but the data has been analyzed both quantitatively and qualitatively to come up with an independent conclusion about the similarities and dissimilarities among the three business models of the respective companies. After critically analyzing the data the paper concludes that a successful IPO can be launched by a microfinance company like SKS Microfinance without disrupting the balance between its inherent mission of poverty alleviation and vision of economic profitability. To reach out to the millions of needy people the MFI has to become financially strong which would only be possible with launch of an IPO. Also an IPO will be the right step forward as it makes the company accountable to its shareholders and hence increases the responsibility of the company towards its decisions.

**Darakhshan Anjum (2010)** has studied Women Empowerment and Child Development in JAMMU AND KASHMIR. The paper has provided a complete look about present status of women in J&K, Occupational Status of Women, Unemployment rate for J&K State, vis-à-vis All India, and Funds received under



Integrated Child Development Scheme (ICDS), Supplementary Nutrition under ICDS, Non- nutritional Assistance under ICDS, Number of beneficiaries under ICDS and also suggested suitable measures to overcome the problems.

**Emma Tomalin (2009)** has studied the Buddhist Feminist Transnational Networks, Female Ordination and Women's Empowerment in this paper. They have discussed the emergence of a transnational movement across Buddhist traditions and countries that is concerned to make full ordination an available option to women in contexts where it is currently prohibited. The subsequent section of the paper has looked more closely at the campaign to revive the bhikkhuni ordination in contexts where it was not available to women and its role in bridging the gap. Also, the paper has concentrated on the role of transnational networks in reviving the bhikkhuni ordination across traditions and the implications of the same for addressing women's strategic gender needs with respect to their development and empowerment. It was found that Women in Buddhism have been outstanding for what they have done in the maintaining of world peace, community development, alleviating human suffering, promoting religious tolerance, offering childcare, and protecting human rights. They had positive role models inspiring and empower women and girls to share and claim cultural space in the public sphere for addressing gender issues of: violence against women, sexual exploitation industry, poverty, illiteracy, HIV/AIDS, and protection of the vulnerable in society. Their aim was to improve the lives of ordained women, including their conditions and opportunities, to encourage the full ordination of women, and to highlight and encourage the social benefits. The paper has suggested more broadly that "religious feminism" (which argues for reinterpretations of religious systems that are consistent with the "core" values of the tradition as well as various types of feminist thinking) is an important and even inherent part of transnational feminism.

**Sethuraman, K., (2008)** has studied the role of Women's empowerment and Domestic Violence in Child Growth and under nutrition in a Tribal and Rural Community in South India. Author has explored the relationship between women's empowerment, domestic violence, maternal nutritional status, and the nutritional status and growth over six months in children aged 6 to 24 months in a rural and tribal community. The longitudinal observational study had been undertaken in rural Karnataka, India included tribal and rural subjects. Structured interviews with mothers had been conducted and anthropometric measurements were obtained for 820 mother-child pairs, the follow-up

rate after 6 months was 82 per cent. The data was analyzed by multivariate regression. Some degree of under nutrition was seen in 83.5 per cent of children and 72.4 per cent of mothers in the sample, moreover the prevalence of under nutrition increased among children at follow up. Domestic violence had been experienced by 34 per cent of mothers in the sample. In multivariate analysis, biological variables explained most of the variance in nutritional status and child growth, followed by health-care seeking and women's empowerment variables; socio-economic variables explained the least variance. Moderate under nutrition continued to affect 46 per cent of children under 5 years of age and 47 per cent of rural women in India. Women's lack of empowerment is believed to be an important factor in the persistent prevalence of under nutrition. In India, women's empowerment often varies by community, with tribes sometimes being the most progressive. Women's empowerment variables have been significantly associated with child nutrition on enrolment and child growth at follow-up.

**Cull R, Demirguc-Kunt, A & Morduch J (2008)** studied in this paper about the mainstream financial services companies and microbanks. It was analyzed that if microbanks had grown in countries which have less developed financial services industry by citing example of two countries Bolivia and Bangladesh which have a low per capita mainstream banking penetration, but microfinance has thrived in these countries. The author has tried to prove if lack of mainstream competition is one of the reasons of growth of microbanks and he concludes that microfinance, until recently has filled the niche that is not served by mainstream banking. However as microfinance is expanding along with mainstream banking, the prospect for competition and direct interaction had increased.

**Koen KA Van Rompay et al. (2008)** have studied the HIV affected patients. Despite ample evidence that HIV has entered the general population, most HIV awareness programs in India continue to neglect rural areas. Low HIV awareness and high stigma, fueled by low literacy, seasonal migration, gender inequity, spatial dispersion, and cultural taboos pose extra challenges to implement much-needed HIV education programs in rural areas.

Thus, the paper has described a peer education model which was developed to educate and empower low-literacy communities in the rural district of Perambalur (Tamil Nadu, India). The program had used participatory methods to train 20 NGO field staff (Outreach Workers), 102 women's self-help group (SHG) leaders, and 52 barbers to

become peer educators. The program was estimated to have reached over 30,000 villagers in the district through 2051 interactive HIV awareness programs and one-on-one communication. Outreach workers (OWs) and peer educators distributed approximately 62,000 educational materials and 69,000 condoms, and also referred approximately 2844 people for services including voluntary counselling and testing (VCT), care and support for HIV, and diagnosis and treatment of sexually-transmitted infections (STI). At least 118 individuals were newly diagnosed as persons living with HIV (PLHIV); 129 PLHIV were referred to the Government Hospital for Thoracic Medicine (in Tambaram) for extra medical support. Focus group discussions indicate that the program was well received in the communities, led to improved health awareness, and also provided the peer educators with increased social status.

**Denise M. Lucy et al. (2008)** have examined one Bangladeshi NGO founded in 1992: Nad Udyog Kendra (NUK), which translated into English as *Center for Women's Initiatives*. The major purpose of the case study was to understand the level of empowerment women exhibited by participating in a micro credit loan program. To that end, information had been gathered about the subjects' personal and family background, current family situation, educational history, economic situation, experience with the micro credit loan program, role in personal, family and business decision making, participation in community activities, and experience with NUK's empowerment and leadership training programs. The subjects for this study included 100 women from 14 different villages participating in the micro credit loan groups of NUK in the Kishoreganj District in Northeast Bangladesh. The subjects, who were guaranteed anonymity, completed a survey through a translated interview conducted in their native language, Bangla. The survey instrument included 105 items. Interviews were conducted by a local team of researchers who spoke both Bangla and English. The interviewers asked the subjects a survey question in Bangla, the subjects answered in Bangla, the interviewer reported the subjects' response in English to a university researcher, and the researcher wrote the responses on the survey instrument. The survey data on literacy and contraception are comparable to Bangladesh's national average where approximately half of the population is literate and half of the women use contraception (**Population Reference Bureau, 2007**). In this study, 49% of the women were literate, while 98% were defined as empowered. The data indicate that NUK's micro credit program has empowered its micro credit participants by increasing their

family income, landownership, political participation, freedom of movement, and primary and joint roles in decision making.

**Amanda Cahill (2008)** has suggested how a post-structural approach to power can be enacted by building on the existing local resources and practices of everyday life. This paper had suggested that a post-structural conceptualization of power as dynamic, multiple and mediated at the local level offers a more productive starting point for thinking about approaches to empowerment. Drawing on data from an action research project designed to initiate community enterprises in a small rural municipality in the Philippines, The paper has taken up the shift and focused on how the project methodology created a space for exploring, challenging and mobilising existing power relations. The main premise informing the action research methodology of the Jagna Community Partnering Project was that power is multiple, relational and contextual. The first objective was to reframe local relations, knowledge and resources as potential forms of economic power that disadvantaged groups could mobilise to challenge structural notions of power in the community. The second was to provide a safe environment in which people could start to experiment with existing forms of economic power to construct a new local vision of development. The final objective was to build on existing relations of power within the community. In this research, three community enterprises were formed and three and a half years after the inception of the project, they continue to grow and generate income for their members. One involves a group of eight women who produce ginger tea. Another consists of 13 small-scale farmers (both men and women) producing a local coconut confectionary called *nata de coco*. The third enterprise is made up of six women dressmakers who accept large orders for hire clothing, uniforms and costumes. A fourth group consisting of 48 local men who work part-time at the port was initiated to explore the feasibility of a trucking business. To facilitate collaboration between the implementing agencies, one field researcher was employed from each agency to work on a full-time basis. The aim of the action research project was to explore the possibility of stimulating local economic development through the establishment of group enterprises that mobilised locally available resources, knowledge and economic practices. It has been concluded that the Power relations are always changing and any gains may shift with time. It is difficult to shift deeply embedded patterns, but at least the project has opened up the possibility for

change by creating a space where participants have started relating differently to others and experiment with their own multiple forms of power at a local level.

**Beverly Dawn Metcalfe (2008)** has studied in the paper about new theoretical insights into the interconnections and relationships between women, management and globalization in the Middle East (ME). The discussion has been positioned within broader globalization debates about women's social status in ME economies. The article critiques social, cultural and economic reasons for women's limited advancement in the public sphere. These include the prevalence of the patriarchal work contract within public and private institutions, as well as cultural and ethical values which create strongly defined gender roles. The discussion has examined the complexities of conceptualizing women's equality and empowerment in Islamic states. The paper has revealed that there have been significant achievements in advancing women in leadership and political roles, but that there are still institutional and cultural barriers embedded in business systems. They have suggested that scholars should integrate literatures from gender and management, development and Middle East studies, and should also consider the interrelations of the national and transnational in critiques of contemporary global capitalism to understand the complexity of women and social change in the ME. They have also explored the relationship between women, management and globalization in the ME in the study.

**Julia C. Kim et al. (2007)** have studied in the article about the scope of women's empowerment and the mechanisms underlying the significant reduction in intimate partner violence documented by the Intervention with Microfinance for AIDS and Gender Equity (IMAGE) cluster-randomized trial in rural South Africa. The method adopted here was the IMAGE intervention combined a microfinance program with participatory training on understanding HIV infection, gender norms, domestic violence, and sexuality. Outcome measures included past years' experience of intimate partner violence and 9 indicators of women's empowerment. Qualitative data about changes occurring within intimate relationships, loan groups, and the community were also collected. Thus, it had been found that after 2 years, the risk of past-year physical or sexual violence by an intimate partner was reduced by more than half (adjusted risk ratio= 0.45; 95% confidence interval = 0.23, 0.91). Improvements in all 9 indicators of empowerment were observed. There were reductions in violence resulted from a range of responses enabling women to challenge the acceptability of violence etc. Thus, the

findings, both qualitative and quantitative, indicate that economic and social empowerment of women can contribute to reductions in intimate partner violence.

**Peter Edward and Wendy Olsen (2006)** studied Paradigms and Reality in Micro-Finance in The Indian context. The authors had examined qualitative local data on micro-finance in southern Andhra Pradesh. They have compared and contrast Mayoux's three paradigms of microfinance as being differentiated by their assumptions, their claims, and the mode of operation of those who adhere to them. Each paradigm has offered grounding for practice as well as a mode of discourse for microfinance practitioners. In Andhra Pradesh, the empowerment paradigm was fading away compared with the financial sustainability paradigm of micro-finance. In this paper the study of micro-finance has been combined with a discussion of paradigms in social research. Building on our strengths and past research experiences, they have applied pluralism of theory—cutting across disciplines—to the study of Indian labor relations and to the study of changing management practice in India's newly privatized sectors. The paper has provided some insights into how the paradigms are playing out “on the ground” in southern India. The paper describes the findings of a research visit by Edward to two villages in the Chittoor District in Andhra Pradesh (AP) in early 2005. The villages visited were typical of the area, but only in so far as any village can be said to be typical. The findings were presented to illustrate how the contradictions of the “virtuous spiral” myth appear to be playing out in a very specific area. Nevertheless, it would be reasonable to imagine that similar dialectics occur also in other districts and states of India where micro-finance has been heavily promoted. Field research was conducted in 2005 within a triangulation methodological framework. Translation support was received from local people during the course of the research. A range of secondary quantitative evidence (mainly from *Annual Reports* of a variety of banks and other organizations) was combined with qualitative interviews. The purpose of the limited paper was to set the broad findings in the context of the debate about how to perceive micro-finance—how to theorize it, how practitioners should be trained, and in what discourse or paradigm we should couch our analyses of it. In conclusion, micro-finance has expanded rapidly and extremely successfully in AP. It has doubtless brought considerable benefits for many women, particularly among the non-poor and the marginally poor. The evidence from recent visits to two villages in Chittoor is that the expansion of micro-finance is failing to meet the needs of the poorest of the poor

and is promoting a deradicalised concept of empowerment that has more to do with co-option than transformation.

**ZAMAN, H (2004)**, has studied Microfinance in Bangladesh. He has analysed the growth and achievements of microfinance in Bangladesh. Micro credit revolution started around 3 decades back and gradually evolved into 'Grameen' model. The high growth of this model was due to decentralized structure of the model. Donors also contributed to the growth along with franchises of the big micro credit lenders. There was a general consensus that micro credit in Bangladesh has not only reduced vulnerability of poor households, but also empowered poor women. Their status improved because of them being seen as income earners in largely conservative society. Microfinance has been a success story in Bangladesh with more than 13 million poor households benefiting from the same. There are several large organizations such as Grameen Bank which lend credit to hundreds of small microfinance banks.

Seela Aladuwa (2003) have studied the credit programs, poverty alleviation and women's empowerment from Sri Lanka. In this study the author has examined the role of micro-enterprise credit in poverty alleviation and women's empowerment at both the household and community levels in Sri Lanka's Kandy district. The differential impact of credit on women's empowerment in various localities and with different socioeconomic and cultural backgrounds is emphasized. The empowerment and bargaining theoretical approaches to gender and development are employed alongside participatory methodologies that include semi-structured interviews, gendered activity profiles, focus group interviews, and participant observation. Findings indicate that although access to credit was not enough to alleviate poverty, many women were empowered in their households and communities as their material circumstances improved and they gained confidence and skills.

**National study of MFIs in India for Small Industries Development Bank of India (2000)**. It has been found in this study that MFIs are moving towards greater outreach to the unreached (to the poor, to women – including women headed households and to marginal social groups). Microfinance provides a safe savings mechanism and options for micro credit (both from the MFI and from internally circulated group savings) which compare favorably with formal bank loans in terms of accessibility, and with alternative informal moneylenders in terms of cost. The research also coincided with the implementation of the MFSP, and has combined longitudinal design (panel data)

and impact monitoring. The comparison of panel data (baseline and follow-up) has provided evidence for impact at the end of the project (impact being defined as 'change that can be plausibly associated with involvement in a microfinance programme'). Interim findings have already emerged from outreach analysis, cross-sectional analysis of the baseline data, and client feedback. The research summary presented some of the findings from the first baseline sample of ten microfinance institutions.

**Linda Mayoux (1999)** has attempted to piece together existing and largely unpublished evidence on 15 programmes in Africa. She has compared secondary source material and her own exploratory research in the paper. The evidences have indicated that for some women in some contexts, even very poor women, micro-finance programmes can indeed contribute to empowerment. However, for many women impact on both economic and social empowerment appears to be marginal and some women may be positively disempowered. These diverse outcomes indicate extremely complex inter-relationships between women's own strategies for use of micro-finance to further their perceived interests, contextual opportunities and constraints and programme policies. It was assumed that women will be interested in using their economic independence and/or group membership in ways envisaged by feminist gender lobbies in development agencies. The discussion in the paper focused on 15 micro-finance programmes in Cameroon. The information is supplemented by evidence from general impact studies and/or discussions and subsequent correspondence with programme state who attended three recent regional workshops in East, West and Southern Africa co-facilitated by the author. The programmes have different origins, follow different models and strategies and operate in differing social, political and legal environments. It was nevertheless clear that some micro-finance programmes in some contexts can make a significant contribution to all dimensions of empowerment for some women, pointing to the potential of micro-finance as a development intervention for women. At the same time the evidence does raise serious questions about any automatic contribution of micro-finance per se to any of the links in any of the assumed 'virtuous spirals'. All studies for which data exist and all the interviews conducted by the author found that much of women's increased income or loans are spent on household consumption and children's welfare or repayment of old debts which would otherwise be met from production income or loans from elsewhere.

There has been studies in which various groups have been compared like the borrowers



and non-borrowers and the effects have been studied. Also, the comparisons have been studied at various levels like, household, society, communities etc. Certain findings indicate that although access to credit is not enough to alleviate poverty, many women were empowered in their households and communities as their material circumstances improved and they gained confidence and skills. But some were struggling with the restrictions thus, can't get access to the outside world.

Different levels of income have also been studied and the results show that non-borrowers are equally empowered as micro credit borrowers. At the same time it has also been found that age and education levels of women are significant factors in empowerment. Women are also empowered to decide in the social, financial and political issues.

### **2.2.3 Studies measuring effect of microfinance on women empowerment.**

**Vachya Lavoori et al. (2014)** have examined the impact of microfinance and other socio-economic factors on women empowerment as viewed from their participation in decision making, income as well as employment generation activities. The findings of the study based on a field study conducted in two villages of Andhra Pradesh suggest that factors such as member and her husband's income, family size and frequency of Self-help group meetings have overall positive influence on women empowerment. In case of income and employment generation activities, age and income of Self-help group members, their household income and amount of loan are found to have positive effect.

**Ravim N et al. (2011)** have studied Micro-Finance as a tool for rural women empowerment and in this case study the authors have studied women based SHGs of Channarayapatna Taluk in HASSAN District, Karnataka They have revealed that the Micro-finance has given women in India an opportunity to become 'agents of change'. The movement has made them more confident than ever, helping them to explore new possibilities in the generation of income leading to self-sustenance. It has also helped them to explore new horizons, new dreams and new hopes.

**A S Shiralashetti ( 2010)** has studied women empowerment through Self-Help Groups in Bijapur District. The main objective of the study has been to examine the level of women empowerment in Bijapur. The study is based on both primary as well as secondary data. To collect the primary data, questionnaires were prepared and

presented personally to 150 women members of SHGs. The sample members were selected from 15 SHGs from 10 villages of Bijapur District. The collected data was analyzed by classifying and tabulating. The percentage tool is used to examine women empowerment through SHGs. The secondary data was collected from newspapers, books and journals, etc. environment in India. It has been seen that women are now participating in all productive activities and are at par with men. No doubt, the SHG movement in India has been working in the right direction, but it is necessary to empower more and more women in social, cultural, economic, political and legal matters, for the interest of the family in particular and the nation in general.

**Sujata Shetty (2010)** has studied in this paper that micro credit can have a much greater impact when it is part of a larger intervention that addresses the needs of the women borrowers and their households individually and collectively, and when it has a local presence. She has explored the connection of Micro credit, Poverty, and Empowerment. The micro credit industry has grown, so the emphasis which was initially on poverty alleviation *and* empowerment has changed. In order to increase the reach and loan portfolios, micro credit programs have to tap commercial and quasi-commercial financing, therefore requiring consistent profitable returns. So, the paper has examined the assumed link between micro credit, poverty alleviation and empowerment, by seeking answers to two sets of questions. First, does micro credit help to alleviate poverty? And second, what impact does such credit have on participants' lives? Does credit empower, or is it the manner in which credit is delivered that is empowering? Thus, it has been concluded that the loans do not permanently move participants out of poverty; however, they do reduce some of the vulnerabilities associated with poverty. The empowerment effects attributed to credit are murkier, but the impacts reported by the participants seem to have more to do with program elements than the loans per se. Micro credit can incrementally increase the income and wealth of a household, and it can have important impacts even when credit is provided without any other services.

**Jay A Pandit et al. (2010)** studied how HIV/AIDS negatively impacts poverty alleviation and food security, which reciprocally hinder the rapid scale up and effectiveness of HIV care programs. Nyanza province has the highest HIV prevalence (15.3%), and is the third highest contributor (2.4 million people) to rural poverty in Kenya. The article has tested the feasibility of providing a micro-irrigation pump to

HIV-positive farmers in order to evaluate its impact on health and economic advancement among HIV-positive patients and their families. They studied thirty HIV-positive patients enrolled in the Family AIDS Care and Education Services (FACES) program in Kisumu, Kenya were provided a micro-financed loan to receive an irrigation pump and farming guidance from Kick Start, the developer of the pump. Economic data, CD4 counts, household health and loan repayment history were collected 12 months after the pumps were distributed. The result was that the mean annual family income increased by \$1, 332 over baseline. CD4 counts did not change significantly. Though income increased, only three (10%) participants had paid off more than a quarter of the loan. The conclusion was that the feasibility of an income-generating micro-irrigation intervention among HIV positive patients and the collection of health and economic data. While family income improved significantly, loan repayment rates were low- likely complicated by the drought that occurred in Kenya during the intervention period. There has been a positive impact of microfinance programs on HIV prevention by reducing risky behaviors and providing opportunities for women's empowerment. The article also refers further exploration of the health and economic benefits of such interventions coupled with an improved microfinance component may demonstrate a novel approach to economic development for HIV-infected farmers in rural Africa.

**Gulnoz Bikbaeva and Malohat Gaibnazarova (2009)** have studied the impact of Microfinance on Alleviating Rural Poverty in Uzbekistan. They have analyzed in this article the effectiveness of microfinance policies, institutions, and tools for improving living standards and regional development. It has focussed on the role and importance of microfinance as an effective measure in regional development and alleviation of rural poverty. They have presented a detailed analysis of demand for microfinance. The principal goal of the initiative was to develop the capacity of economic policy institutes in order to provide these countries with independent, sophisticated voices in policy issues. Microfinance is the most effective and important factor providing productive employment, as opposed to direct state subsidies and payments the demand for microfinance services in these countries is quite high. In particular, microfinance services are used not only to reduce poverty and support small businesses but also to develop backward regions. The study had presented a model simulation of econometric estimation of the number of enterprises, the economic environment in rural areas, and

the general socioeconomic environment in the country at the level of demand for micro credits. The regression model was based on the Microeconomic model of the profit maximization of microfinance organizations. The simulated model reveals that the level of demand for micro credits is based on three determinants. If statistical data show a high degree of relationship between these indicators and the level of micro credits obtained, it means that the model is properly constructed and the main factors influencing the demand for micro financial services in Uzbekistan are correctly defined.

**Pollio and James Obuobie (2010)** have studied Default Rates in Ghana in various MFIs. In this article, they have investigated repayment rates among MFIs and various parameters which effect the same in different ways. They employed Multivariate and concluded that the probability of default increases with the number of dependents, whether the proceeds are to acquire fixed assets, and the frequency of monitoring, and decreases with the availability of non-business income, years in business, the number of guarantors, whether the proceeds were for working capital, and if the client is a first time borrower or old one.

**Niti Nandini Chatnani (2010)** has examined the role and potential of micro franchising as a tool for women's empowerment. Empowerment of women will enable them to gain both visibility and a voice in their homes, their workplace and their society. Non-availability of credit has been a critical constraint in the efforts of poor women of our country to achieve economic self-reliance. A major shortcoming of the credit system has been its apathy towards the issue of empowerment of women. Micro credit has been acknowledged the world over as a brilliant, enterprise-based, partial solution to economic empowerment of women, and it has certainly been able to address issues of their financial inclusion and poverty alleviation to a large extent. Yet, the search for effective economic empowerment strategies is far from over. Micro franchising is one such strategy that is currently being researched and tested for its efficacy in contributing to economic self-reliance among poor women. That's where micro franchising adds value- as a 'turn- key' business; a micro franchisee can rely on the franchisor, which reduces the risk of failure by providing high quality initial and ongoing training.

**Roni Strier (2010)** has studied about Women, Poverty, and the Microenterprise: Context and Discourse. The article has discussed about the claims of success of microenterprise development programmes (MDPs) in poverty reduction and gender

equality. It has also dealt with the broader theoretical and methodological issues related to the ways in which context and discourse interact in the assessment of antipoverty and gender equity strategies. MDPs are considered among the most viable strategies for helping women overcome poverty and promoting gender equity. The article has adapted a bottom up, context-informed, discourse analysis perspective, and used a qualitative methodology to examine the voices of women engaged in a microenterprise (ME). Semi-structured personal interviews have been conducted in the participants' homes. Each interview had lasted between 90 and 120 minutes. The interviews consisted of four questions related to central themes: their perspectives and views of MEs; an assessment of the skills and qualities required to succeed in the venture; their perceptions of barriers and opportunities; and their assessment of the small business and self-employment strategy as a way to overcome the circle of poverty. ME is only a partial solution of breaking the circle of poverty for low-income women. Women in the study who have succeeded in establishing an independent source of income were satisfied with their new occupations. They also found in the ME initiative new opportunities for renegotiating their oppressive multiple identities as working women in the labour market as well as women, wives and mothers.

**Smriti Rao (2010)** has studied about work and empowerment of Women and Agriculture in South India in this article. The author has explored the implications of women's work in agriculture in Telangana, a region in the state of Andhra Pradesh, India. It was suggested that higher capital costs for cultivators' post-liberalisation increased the pressure to contain wage costs in a region where women form the majority of the agricultural wage labour force. It was found that under such conditions, when women perform both own-cultivation as well as agricultural wage work in the fields of others, they face pressure to restrict bargaining for higher wages, contributing to a widening gender wage gap. To the extent that wages shape intra-household bargaining power, the empowering effect of workforce participation for such women would thus be blunted. From available NSS data provide some preliminary evidence in support of this argument.

**Microfinance Information Exchange, Inc. (MIX) & Intellect (2009)** have studied the paper growth of microfinance industry in Asia, especially South Asia in 2008. According to the research conducted, though the industry had grown as compared to 2007, it predicted that Global Financial Crisis would create liquidity problems for the

industry. The profitability would be lower and institutions would face the challenge to grow as well as secure funding in those circumstances.

**Salman Asim, (2008)** has evaluated The Impact of Micro credit On Women's Empowerment in Pakistan in this study. He has studied empowerment in the urban slums of the Lahore district of Pakistan. A house-hold level instrument that contains information on different dimensions of household decisions: child related, health, social mobility, economic and major household purchase decisions was specifically designed and implemented to explore the link between micro credit and women's empowerment. After controlling for endogeneity in the estimation by using proxies for initial levels of empowerment, matching the controls and treated units on observable characteristics and finally instrumenting for the treatment, there are no differences found between the level of empowerment of treated and control units. Participation in the micro credit program is found to be insignificant in explaining all the outcome indicators of empowerment for the sampled households.

**M J Xavier, J Raja, Usha Nandhini S (2008)** have studied the Impact Assessment of a Rural Women's Micro Entrepreneurship Project using Path Analysis Models Round Table. The research had measured the outcomes of Project Shakti, an initiative of Hindustan Unilever Limited in creating rural women micro entrepreneurs in India. They had used narrative analysis and path analysis models to examine the impact of the project on the rural women. The findings have been positive on the fronts of entrepreneurial development, economic empowerment and social empowerment. The project provides an opportunity for rural women's entrepreneurship by which women become direct-to-home distributors of HUL products in rural markets. The women become micro entrepreneurs and service the communities they live in. Their study has assessed the impact of the Shakti programme using Path Analysis. The study also included cost benefit analysis to justify intervention in terms of income. The key objective of empowering rural women had been extended to engage thousands of villages spanning thirteen states in the country and had involved thousands of rural women for more than five years, the number exceeding 30, 000 in 2006. to the questions of what specific factors created impact and the extent to which these factors influenced the Shakti dealers. The objectives of Project Shakti are two-fold: to improve the incomes of rural people by providing them with economic opportunities and to improve their standard of living by educating them about health and hygiene. The

research had used both qualitative and quantitative research methods. The qualitative study uses methods that are interpretative and naturalistic, using narrative analysis to evolve themes from the narrations of experiences. The qualitative technique was followed by a survey research method to obtain quantitative data. The Path Analysis method was used for examining complex and multidimensional relationships among variables. To confirm the economic impact, the researchers had posed proxy questions by making an inquiry into the amount of cash the Shakti dealers maintained at hand. Social impact was divided into two sub parts: empowerment at the household level and empowerment at the societal level. These data were substantiated by a Most of the Shakti dealers indicated that there were positive changes on various fronts after taking up Shakti dealership. As hypothesized, entrepreneurial development leads to economic empowerment and that in turn leads to social empowerment. Real upliftment of people in the lower rungs of the economic ladder can happen only when the overall standard of living of these people is raised. An elevation in the living standards enhances the ability of a community to afford a wider range of products and services, in turn leading to the creation of new consumers. The study resulted in the women entrepreneurs getting recognized in their local communities as opinion leaders.

**K. KALPANA (2008)** has studied the Vulnerability of ‘Self-Help’: Women and Microfinance in South India. In this study it has been found that research on micro credit demonstrates that micro credit / finance programs do not have any inherent quality by which they empower their women clients or address concerns of poverty alleviation. She has studied the practical impact of coordination Self Help Groups(SHG’s) and state run institutions in delivering microfinance. She has studied 27 SHG’s in 3 villages. Rural finance has become a profitable industry in India. This has enabled a lot of big players in microfinance industry. However the author has observed that there had been initial issues in delivering loans to people of some sections by banks, such as SC over fears of default. However with time this prejudice disappeared as the repayments were prompt.

**Responsibility Social Investments Ltd.(2008)** have studied about Consumer Credits for the Poor – Risk or Opportunity. They have argued that while microfinance industry had a responsibility to offer a range of financial products to the consumers, including consumer credits. However it needs to have adequate risk management practices in place along with transparent product management practices.

**Swain R. & Wallentin, F (2007)** In this article had discussed that microfinance is a tool for social change and economic benefits for empowerment of women in co-relation to the IMAGE project. It has been stated in the study that women with more financial power were less likely to face domestic abuse. However it also stated that the benefits of microfinance on women's empowerment are not automatic, it is a complex relationship. Microfinance is a critical starting point which enables the long process of women empowerment. They studied how by using Microfinance they could Fight Poverty, Empower Women and Address Gender-based Violence and HIV.

**Chowdhury J (2007)** has done an empirical analysis of impact of microfinance on consumption of the beneficiary households in this paper. They chose Garmin Bank's customers via a household survey to collect data. The data analysed concluded that old member households consumed 19% more than new members. The growth in consumption decreased after 5 years of membership before declining. But the overall consumption increased after households participate in a microfinance program. Thus, microfinance helped to improve their living standard.

**Krauss N & Walter I (2006)** analyzed whether microfinance represents a distinct financial asset class, thereby forming the basis for access to global capital markets and performance-driven investors in their search for efficient portfolios. Based on a scientific study, they concluded that microfinance institutions in developing countries are less exposed to market risks than commercial banks and hence can be form a distinct asset class.

**Dessy S & Ewoudou J (2006)** have concluded in the study that women's access to credit should be conditioned to their involvement in coordinated, high productivity activities and also is lined to their success in Microfinance. They had also explored implications for women's choice of business, demand for capital and interaction between social and economic factors. It also explored necessary conditions for microfinance for empowerment of women. The author has used mathematical and statistical analysis techniques to investigate and draw his conclusions. From his data, he analyzed the possible cause for failure of microfinance for women. According to the author, lack of ability of women to form large business networks is one factor of failure of microfinance.



**Mark M. Pitt et al. (2006)** have estimated the impact of participation in micro credit programs on an index of empowerment and its proxy indicators using a large set of qualitative responses to questions that characterize women's autonomy and gender relations within the household with due attention to heterogeneity bias. The data was collected from an extensive household survey collected in rural Bangladesh in 1998–99. They tested the assertion that participating in micro credit programs is an empowering experience for women whose life choices are otherwise restricted through poverty, patriarchy, and societal or religious norms. In addition, the effect of men's credit program participation on these same measures of female empowerment was also examined. Women's empowerment has been measured as a latent variable encompassing a number of indicators that proxy for a woman's autonomy, decision making power, and participation in household and societal decision making. Of the 1,798 households selected, 1,538 were target and 260 were non-target households. Among the target households, 905 (59%) participated in a credit program. The results have been consistent with the view that women's participation in micro credit programs helps to increase women's empowerment. Credit programs lead to women taking a greater role in household decision making, having greater access to financial and economic resources, having greater social networks, having greater bargaining power vis-à-vis their husbands, and having greater freedom of mobility. They also tend to increase spousal communication in general about family planning and parenting concerns. The effects of male credit on women's empowerment have been generally negative. However, the analysis of the relationship of subjectively measured empowerment to micro credit has added another piece of evidence suggesting that program-induced changes in women's empowerment may be a powerful mechanism underlying the differential welfare impacts by gender of participant.

**Robert M. Townsend (2005)** has used variation in policies and institutional characteristics to evaluate the impacts of village-level microfinance institutions in rural Thailand in this paper. To identify impacts, they had used policies related to the successful/unsuccessful provision of services as exogenous variation in effective financial intermediation. They had found that institutions, particularly those with good policies, can promote asset growth, consumption smoothing and occupational mobility, and can decrease moneylender reliance. Specifically, cash-lending institutions—production credit groups and especially women's groups—were successful in providing

intermediation and its benefits to members, while buffalo banks and rice banks are not. The study has examined a large set of heterogeneous village-level microfinance institutions, links impacts on households to variation in the characteristics and policies of these institutions, and evaluates whether the observed impacts of these types of intermediation are consistent with what theories predict. Furthermore, the two models together lead us to consider a broad definition of financial intermediation, including credit, savings, and informational advantages. The villages in the study were located in rural and semi-urban Thailand, a promising environment to look for the micro impacts of financial intermediation. That is, the Thai growth experience has been both qualitatively and quantitatively consistent with the above models of growth and financial intermediation. The fact that the institutions are operated at the village level is also a virtue. Since the institutions uncovered in the survey were promoted by a variety of agencies and ministries, the data shows a great deal of important variation in institutional types and policies. This variation is related to an institution's success in providing financial services (lending, savings, and membership). The results of the analysis are predominantly consistent with theory.

**Nathalie Holvoet, (2005)** has studied the Impact of Microfinance on Decision-Making Evidence from South India and it has been found in this study that direct bank-borrower credit delivery does not challenge the existing decision-making patterns, regardless of whether men or women receive the credit. These findings change when credit is combined with financial and social group intermediation. The article has tested the impact of some of the suggested changes in programme features on one particular dimension of empowerment: decision-making agency. The author has explored the importance of the borrower's gender and the lending technology for intra-household decision-making processes by using household survey data from South India. It has shown Women's group membership seriously shifts overall decision-making patterns from norm-guided behavior and male decision-making using more joint and female decision-making. Longer-term group membership and more intensive training and group meetings strengthen these patterns. There is, overall, a remarkable shift from norm-following and male decision-making to more bargaining and sole female decision-making.

**Daniel Makina & Louisa M Malobola (2004)** studied the Impact assessment of microfinance programmes, including lessons from Khula Enterprise Finance. The

article discussed approaches to impact assessment of microfinance programmes through a survey of empirical literature and findings of an impact study of Khula Enterprise Finance, a South African wholesale finance institution that facilitates access to financial services by small, medium and microenterprises. The article also noted the impact assessment has now opened up to the needs of a mix of stakeholders and a wide range of purposes. There has been a shift from a donor-driven approach to a practitioner-led approach that emphasizes learning and improving practice. The impact assessment could be categorised as a one-off, cross-sectional study whose objective has been to prove impact so as to justify donor funding contracted to external experts. The methodology adopted for impact assessment has largely been based on the following four lines of enquiry. Qualitative enquiries using semi-structured interviews, and discussions with stakeholders (intermediaries and clients) were held to determine the impact of the intervention. The study indicates a positive impact on the beneficiaries of microfinance, especially women in rural areas where they have been specifically targeted. Furthermore, the impact showed that lower-income communities in rural areas have been benefited less than their not-so poor counterparts in the urban areas, an observation that is consistent with findings in other studies. Also, the study albeit with a narrow, traditional donor-driven focus, shows that microfinance programmes have led to improvements in the economic welfare of households, enterprise development and increased empowerment of women. Notably, it has emphasized the importance of targeting specific groups, as findings have shown that when this is not done, more men are likely to benefit more than women.

**Michael J. Hicks., (2004)** has studied whether rural areas in the USA need microfinance? In this paper the impact of loans directed primarily to small businesses in West Virginia have been evaluated. In order to provide evidence on the efficacy of microfinance this paper has evaluated the impact of loans directed primarily to small businesses in West Virginia. The relatively strong functioning of capital markets at the national level challenges the efficacy of microfinance programmes in the USA. Despite that, these programmes have enjoyed considerable appeal in the USA. Whether or not there is widespread failure of traditional lending practices to impact small business is therefore an important question. The intention has been to test the aggregate employment impact of these loans on small business. West Virginia is a natural location for this type of analysis since it has both rural and urban areas and a

homogeneous set of state banking laws. The research has been designed to ask the crucial question to microfinance researchers and practitioners— did small loans affect employment in small business. The model has included a trend component that provides for a correction necessary for observing changes over time in a model that does not include random or time varying effects. The use of a common intercept is appropriate due to the short time period under observation and the necessity of including spatial interaction terms. The specification permitted both cross-sectional and time varying components to be estimated. The model also incorporated a spatial autocorrelation function. This spatial component is a common technique in regional analysis. The interpretation of the result is:-First, the parameter estimated for human capital and physical capital are both typical of similar growth models. Notably, it is human capital that dominates inter-regional growth differences. Also, the larger firms benefit more from infrastructure growth as proxied by construction income. These results permit confidence in the model's specification as they are supported by the bulk of existing growth research.

**Anolin A.L.C (2004)** have found in the study that Microfinance benefited women at individual level by increasing their self-confidence and mobility. At community level, it has enabled women to take up each other's issues and highlight them. This case study has dealt with impacts of microfinance on Filipino women. It dealt with how microfinance had affected political participation of these women and how it affected the quality of political governance. The main challenges to women's empowerment still remain, mainly due to deep rooted social and historical prejudices against women and age old social orders.

**The Case of Swayam Shikshan Prayog in Microfinance and Women's Empowerment (2004)** have studied in this paper that there is impact of SCG's in empowering women. The creation of these groups has led to a social change in women. They collectively had taken up social issues such as alcoholism and household violence. Economically, these women from lowest strata of society have benefitted their families as income earners. This study discusses several methods used towards achieving this goal. This paper also covered the case study of savings and credit based microfinance programme of Swayam Shikshan Prayog, India with respect to empowerment of women in various districts of Maharashtra. The study also involved

study of groups of women belonging to different caste, who were organized into various SCG's (Savings and Credit Groups).

**EDA Rural Systems (2003)** has studied the Impact Assessment of Microfinance. In this paper impact assessment of SIDBI Foundation of Micro Credit (SFMC)'s microfinance program has been studied. SFMC provides funds for several microfinance institutions. Most of these institutions follow Self Help Group model. The findings have indicated that in terms of savings and access to loans, contribution to household income and role in household decision-making, there is a positive direction of change, especially for women who are directly earning. In addition, the study has showed that women have gained self-respect and confidence from participating in the SHG. The research has also aimed to find out whether microfinance was actually playing a role in empowering women. However, in terms of gender equality, the impact has been at the most neutral, especially in North India, mainly due to cultural factors.

**Ahmed H (2002)** has argued in this paper that while conventional microfinance institutions have grown over time, Islamic microfinance institutions are yet to take off. The author has described a theoretical basis and operational framework for Islamic microfinance in this paper.

**Cheston S & Kuhn L (2002)** has found in this paper that in the current structure, microfinance does not address all the issues involving empowerment of women. However when properly designed, it can contribute more significantly to the issue has explained by citing a case for empowering women through participative governance e.g., Agricultural and Rural Development for Catanduanes, Incorporated as a success case for participative governance. He also studied the impact of microfinance in empowering women and its challenges and limitations.

**L MAYOUX (2001)** has studied about Poverty Elimination and the Empowerment of Women, ILO, Geneva. In this study she has studied definitions of women's empowerment, gender equality and equity. Also, the relationship between gender issues and sustainable enterprise development, and the implications for impact assessment of gender-focused strategies had been looked into. The paper concludes that even female-targeted development interventions may fail to make the contributions assumed unless gender equality and women's empowerment are strategically planned as an integral part of program design.

**Tiyas Biswas (1990)** has studied Women Empowerment through Micro Finance as a Boon for Development. Under the trickledown theory in the planning process it was expected that women would equally benefit along with men. This has been belied by actual development. The ninth plan document recognized that in spite of development measures and constitutional legal guarantees- women have lagged behind in almost all sectors. This paper has put forward how micro finance has received extensive recognition as a strategy for economic empowerment of women. This paper has sought to examine the impact of Micro finance with respect to poverty alleviation and socioeconomic empowerment of rural women. An effort has also been made to suggest the ways to increase women empowerment.

**L MAYOUX** has discussed that there is a need for a serious rethink of many currently accepted 'tenets of Best Practice' in the light of the existing evidence of gender impact. The paper gives an overview of three contrasting paradigms of 'Best Practice', each of which have differing understandings of women's empowerment and the aims of microfinance – feminist empowerment paradigm, poverty alleviation paradigm and financial self-sustainability paradigm. This paper also argues that there is a need to make gender 'Best Practice' integral to microfinance design, rather than as a marginal and marginalized add-on to financial sustainability or poverty reduction. The paper challenges assumptions about the automatic benefits of microfinance for women.

**BL Centre for Development Research and Action Sponsored by Planning Commission Government of India**-Micro-Finance and Empowerment of Scheduled Caste Women. They have done an Impact Study of SHGs in Uttar Pradesh and Uttaranchal and have found out that the impact of micro-finance programme through SHG's has been effective in making positive social change to all members, irrespective of the direct borrowers of the micro-credit. Importantly, in the rural context, the SHG's have facilitated the poor, especially the women to overcome the existing constraints grappling the formal credit institutions. The groups have provided considerable social protection and income opportunities to the members. The SHG's have acquired a prominent status in maximizing social and financial returns. The promotion of income generation activities for the poor rural women is perceived as a powerful medium to resolve several socio-economic problems such as reduction in poverty, provision of goods and services appropriate to local needs, redistribution of income and opportunities in the community, etc. SHG's are necessary to overcome exploitation,

create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation, which they are facing, in several forms. A group becomes the basis for action and change. Significantly, credit is a major factor in boosting economic development if it is effectively utilized. The government's recent initiatives to streamline credit operations and delivery system through micro-finance movement and strengthening and expansion of credit institutions (SHG's) can definitely help in the revival of rural economy and empowerment of the rural poor. Micro-credit intervention programme has been well-recognized world over as an effective tool for poverty alleviation and improving socio-economic conditions of rural poor. In the above studies the impact of Microfinance has been studied. It has been observed that in some of the studies it has been concluded that loans do not permanently move participants out of poverty; however, they do reduce some of the vulnerabilities associated with poverty. The empowerment effects attributed to credit are murkier, but the impacts reported by the participants seem to have more to do with program elements than the loans per se. In few of the studies it has been found out that Micro-credit can incrementally increase the income and wealth of a household, and can have important impacts even when credit is provided without any other services. However, on the whole it has been observed that Microfinance increases the women empowerment by having greater social networks, having greater bargaining power vis-a-vis their husbands, and having greater freedom of mobility. Women also tend to increase spousal communication in general about family planning and parenting concerns. And women feel empowered not only at the individual level by increasing their self-confidence and mobility but also at community level, it has enabled women to take up each other's issues and highlight them.

A total of 90 related studies have been mentioned here whereas, the researcher has reviewed many more articles. There have been mixed responses but the overall picture is positive. Like for example SWAIN R, L. Mayoux , Salman Asim, Ranjula Bali and many have concluded that there is a Positive effect on womens' empowerment with microfinance schemes. The researcher has also concluded that microfinance has a positive effect on women empowerment.

There is a positive effect on empowerment on women with the number of years of microcredit membership which is also reflected in the studies conducted by Prema Basargekar, Chowdhury J , DEININGER, K. & LIU, Y. The researcher has also concluded the same result. Also, there is a positive effect on the Monthly Household expenditure on womens' empowerment and like-wise studies have been conducted by Jyoti Prakash Basu(2006), Sarahat Salma Chowdhury (2011) and others.

Also, with regards the small land holdings on womens' empowerment it has been studied by Sureswari Prasad Das(2009), Gerald Pollio (2010) and James Obuobie that there is a positive effect and similarly the researcher has also concluded the same in the current study.

The review of literature has provided great insights into the evaluating the effect of Micro-finance on Empowerment of rural women. This has helped to identify the gaps in existing literature and formulate the objectives for this study. The identified research gaps are provided in the next chapter.



### **Chapter-3**

## **RESEARCH METHODOLOGY**

The current chapter relates to the methodology adopted for conducting the study. After review of literature, research gaps have been identified and research objectives are set. The researcher has formulated the hypotheses which have been based on the research objectives. The researcher has explained the sources of data and sample characteristics. Also, the tools of research adopted for development of the thesis have been discussed in the Chapter. For the purpose of this study the terms ‘microfinance’ and ‘microcredit’ have been used interchangeably.

### **3.1 Research Gaps**

The review of literature has provided great insight into microfinance and empowerment of rural women. However, the following research gaps have been found:

1. Very few studies have evaluated two groups of women (ones who have availed and ones who are yet to avail) and studied the social and economic aspects that affect women empowerment
2. Very few studies have been done to investigate the factors that strengthen women the most and which factors strengthen women empowerment the least.
3. Very few studies have compared the effect of the various factors between women who have availed microfinance facility and women who are yet to avail microfinance facility.

### **3.2 Research Objectives**

Based on the research gaps identified, following research objectives have been framed:

1. To analyze the social and economic aspects that affect women empowerment.
2. To analyze which factors strengthen women empowerment the most and which factors strengthen women empowerment the least.
3. To compare the effect of the various factors between women who have availed microfinance facility and women who are yet to avail microfinance facility.
4. To suggest strategies to Microfinance institutes to improve their financing schemes to the women customers.

After literature review, research gaps are identified and research objectives have been set. The researcher has formulated the hypotheses based on Research Objectives and have explained the sources of data and sample characteristics.

### **3.3 Hypotheses tested**

Hypotheses have been developed on the objectives which are stated above. The hypotheses are categorized based on statistical evaluation applied.

- 1) H0<sub>1</sub>: There is no significant effect of microfinance scheme on women empowerment.
- 2) H0<sub>2</sub>: There is no significant effect of the number of years of micro credit membership on women empowerment.
- 3) H0<sub>3</sub>: There is no significant effect of monthly household expenditure on women empowerment.
- 4) H0<sub>4</sub>: There is no significant effect of the income earning activity in her own business on women empowerment.
- 5) H0<sub>5</sub>: There is no significant effect of the small land holdings on women empowerment.
- 6) H0<sub>6</sub>: There is no significant effect of the age at which the respondent has got married on women empowerment.

### **3.4 Type of Research**

This is a descriptive research work wherein the objective is to find out the effect of microfinance on empowerment of women in Grameen Koota at Bangalore. The objective is to study the empowerment of women after availing microfinance. It would help us to conclude whether microfinance would strengthen women or not.

### **3.5 Period of Study**

For the purpose of this study the researcher visited the centers of Grameen Koota in Western Bangalore. The researcher visited the centers in the year 2011-2012 for a period of 6 months.

### **3.6 Details of Sample**

The women customers of Grameen Koota who have availed Microfinance in Bangalore and the women customers who have been sanctioned but have not yet disbursed Microfinance. Out of 190 respondents 126 women had availed disbursement of the loan and 64 women were yet to avail disbursement.

For this study, Sample Population is the women customers of Grameen Koota who have availed Microfinance in Bangalore and the women customers who have been sanctioned but have not yet availed Microfinance.

### **3.7 Sample Frame**

Sampling frame is the list of elements from which a sample may be drawn. In this study sampling frame are the customers of Microfinance company, Grameen Koota in various centres of Western Bangalore.

### **3.8 Sampling Techniques.**

The population has been selected randomly. For the purpose of this study, primary data was collected with the help of Questionnaire.

### **3.9 Questionnaire development and field work**

Questionnaire was used as a method as a Survey technique. The “Pilot Testing” was done by distributing initially to 20 women. The same was on Interval scale but the women were not comfortable with the same as they did not understand it. Then after their feedback added some more questions and changed the questionnaire. The researcher had selected 50 branches out of 100 branches of Grameen Koota in Bangalore. And have included 250 women respondents at random 190 respondents have fully responded. Out of 190 respondents 126 women had availed disbursement of the loan and 64 women were yet to avail disbursement. The researcher used to go the Kendra meetings and distribute the Questionnaire to the customers of Grameen Koota.

The Questionnaire was in both the local language (Kannada) and English. They had the customers of all the communities. Some customers knew English language whereas some knew only Kannada language. Also, took help from one interpreter to translate the questionnaire from vernacular language to English to reduce the errors.

### **3.10 Data Analysis**

In the study, data collected was processed with SPSS. In the present study multiple linear regression model with the ordinary least squares (OLS) method has been used to analyze the data.

### **3.11 Statistical Analysis & application of statistical tools**

#### **3.11 a. Econometric Analysis**

The relationship between middle of micro credit and women strengthening have been investigated through a cross-sectional survey procedure, alluded to as the control-bunch system. The quantitative information dissection has been conveyed contrasting micro credit borrowers and impending micro credit borrowers utilizing the information accumulated from the survey. To further clarify, both the treatment group and the control group have been accepted into a micro credit program. The difference between the groups is that the treatment group, micro credit borrowers, has received micro credit and the control group, soon-to-be micro credit borrowers, have not received micro credit but are yet to in about to within a couple of weeks. To estimate the effect of micro credit on empowerment this study constructs a multiple linear regression model with the ordinary least squares (OLS) method. Equation given below defines the most comprehensive model with all the independent variables.

#### **Equation1:**

$$\text{Empowerment index} = \beta + \beta_1 \text{ Membership} + \beta_2 \text{ Age} + \beta_3 \text{ Micro credit borrower} + \beta_4 \text{ Education} + \beta_5 \text{ Husband's Business} + \beta_6 \text{ Expenditure} + \beta_7 \text{ Years of Micro credit Program} + \beta_8 \text{ Agriculture work} + \beta_9 \text{ Household Landownership} + \beta_{10} \text{ Own Business} + \beta_{11} \text{ Age at Marriage} + \beta_{12} \text{ Number of Children} + \beta_{13} \text{ Number of Income earners in the Household} + \epsilon$$

### 3.11.b. Test of Normality

First, normality of each item was assessed using standard deviation, skewness, and kurtosis. There was no item that exhibited abnormally high standard deviation, skewness, and kurtosis, indicating normal distribution of each item.

From the table it can be clearly seen that the total number of items is 190 for which the mean is 4.15 and the standard deviation is 1.100. And it can also be clearly seen that the data is normally distributed since the value of skewness and kurtosis lies between +1 and -1 that is -.0228 and -1.197 respectively. This is already clear from the histogram

#### Statistical Inference

C1

N	Valid	190
	Missing	0
Mean		4.1515
Std. Deviation		1.10068
Skewness		-1.197
Std. Error of Skewness		.243
Kurtosis		.228
Std. Error of Kurtosis		.481

### 3.11.c One Sample T Test

One sample t-test is conducted to compare the means score of a sample to a population mean. A one sample T test was conducted by using “how long have you been with this company?” as a variable. From the output table I of T test has the significance of T-test is found to be 0.000. This indicated that at 95% confidence level, T-test proves the model is highly significant. In other words the rating given by the respondents are significantly different from each other. So we reject the null hypothesis and accept the alternate hypothesis that in terms how long have you been with this company? The rating given by the respondents are significantly different from each other. We can conclude that the sample is representing the population.

#### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
C1	190	4.1515	1.10068	.11062

### One-Sample Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
C1	37.529	98	.000	4.15152	3.9320	4.3710

**3.11 d.** From the output of one-way ANOVA the significance of F-test is found to be 0.000. This indicated that at 95% confidence level, there is a significant difference which exists on women empowerment with regards to the income of women. In other words the income the respondents are significantly different from each other. So we reject the null hypothesis and accept the alternate hypothesis that In terms of how long have you been with this company? The income of the respondents is significantly different from each other.

From the output of one-way ANOVA the significance of F-test is found to be 0.035. This indicated that at 95% confidence level, there is a significant difference which exists on women empowerment with regards to the age of women. In other words the age the respondents are of is significantly different from each other. So we reject the null hypothesis and accept the alternate hypothesis that In terms of how long have you been with this company? The age of respondents are significantly different from each other.

From the output of one-way ANOVA the significance of F-test is found to be 0.038. This indicated that at 95% confidence level, there is a significant difference which exists on women empowerment with regards to the Monthly expenditure of women. In other words the income the respondents are significantly different from each other. So we reject the null hypothesis and accept the alternate hypothesis that In terms of how long have you been with this company? The Monthly expenditure of the respondents is significantly different from each other.

From the output of one-way ANOVA the significance of F-test is found to be 0.002. This indicated that at 95% confidence level, there is a significant difference which exists on women empowerment with regards to the education of women. In other words the education of the respondents are significantly different from each other. So we

reject the null hypothesis and accept the alternate hypothesis that In terms of how long have you been with this company? The education of the respondents of different is significantly different from each other.

#### ANALYSIS OF ANOVA TEST

		Sum of Squares	df	Mean Square	F	Sig.
INCOME	Between Groups	25.793	4	6.448	6.987	.000
	Within Groups	86.752	94	.923		
	Total	112.545	98			
AGE	Between Groups	3.904	4	.976	1.121	.035
	Within Groups	81.874	94	.871		
	Total	85.778	98			
EXPENDITURE	Between Groups	2.223	4	.556	2.642	.038
	Within Groups	19.777	94	.210		
	Total	22.000	98			
EDUCATION	Between Groups	4.751	4	1.188	4.652	.002
	Within Groups	23.997	94	.255		
	Total	28.747	98			

### 3.12 Profile of the Company and Respondents

Grameen Financial Services Pvt. Ltd. (GFSPL), popularly known as Grameen Koota, was born out of the need for timely and affordable credit to India's poor and low-income households. GFSPL is a non-banking financial company (NBFC-MFI) actively engaged in the microfinance sector. Their services are focused towards the rural poor and low income households particularly women.

Grameen Koota (GK) was visualized by Mrs. Vinatha M. Reddy in December 1996, inspired by the book 'Give Us Credit' by Alex Counts, President and CEO, Grameen Foundation USA. The book detailed remarkable stories of Bangladesh's poor who

raised themselves out of poverty through the use of micro-credit during the microfinance movement, spearheaded by Nobel Laureate Professor Muhammad Yunus. Grameen Koota (“GK”), now a division of Grameen Financial Services Pvt. Ltd. (GFSPL) was founded in the year 1999, as a project under the T. Muniswamappa Trust (TMT), an NGO in South Bangalore. Grameen Trust, Bangladesh provided seed capital funding to replicate Grameen Bank Bangladesh microfinance model to TMT. Grameen Koota adapted the Grameen Bank's group lending methodology of microfinance to the Indian setting and was launched at Avalahalli, in outskirts of South Bangalore. It offers collateral-free loans as well as other services to women from poor and low-income households. Creation of equal opportunities and inclusive development of both urban and rural poor is what inspires GK to strive ahead. These loans help the clients raise their standard of living and consequently help break themselves and their families out of poverty. Grameen Koota steadily groomed a class of mature and financially literate women entrepreneurs, who began to outgrow the group lending model. GK targets women because they are the most marginalized section of the society, who makes up an integral part of the family, community and country's socio-economic environment. It has been observed that women tend to use resources more productively than men, so GK tries to help improve women's financial management and increase their participation in the family's and the community's development.

In 2007, the microfinance activities of GK was transferred from NGO to a well-regulated and registered Non-Banking Financial Company (NBFC) under the name of Grameen Financial Services Pvt. Ltd. which subsequently got reclassified into a regulated and governed Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFI) entity by Reserve Bank of India (RBI) in 2013. Grameen Koota (GK) continued to be the operating brand name of Grameen Financial Service P. Ltd., GK offers a multitude of both financial and non-financial products and services to cater to every life cycle need of its clients. GK products are subject to periodic modifications based on the feedback from clients and inputs from the staff.

They also provide the non-financial services consists of training, education and awareness creation programs such as Enterprise skill development; Business development services; financial literacy promotion; basic health/nutrition education; Basic medical services; Special medical services for women and children; Leadership



training for women and Women's rights/gender issues education. Over the past years Grameen Koota has evolved as a major player in the Micro Finance Sector and widely recognized as one of India's leading Micro Finance Institution. They have presence in three states in India i.e., Karnataka, Maharashtra and Tamil Nadu. Maharashtra operations started in the year 2008. And in the year 2009, Tamil Nadu operations had started. In the year 2014, Grameen Koota has an Outstanding Portfolio of Rs.810 cr. And has reached above 5.50 lac clients. They have crossed the cumulative disbursement of Rs.4000 cr since inception. Their outreach as in Sept., 2014 is 222 branches in 49 districts with 29, 244 Kendras-(Centers) in the three states in India. They have received many awards including the prestigious, Silver MIX Social Performance Reporting Award for the 3rd time in the years 2013, 2012 as well as in 2011. And in January 2013 GFSPL was honoured with the Skoch Financial Inclusion Award within the Microfinance category. Their rating has been upgraded by ICRA to 'BBB+' from 'BBB'. Respondents were the customers who have availed Micro Finance from Grameen Koota and who have been sanctioned but not disbursed the loan. The methodology which they adopt for Collection of money is the Weekly Meeting. Early morning at a specific time on a specific day the customers gather at the Centre(called Kendras) where meetings are conducted by Kendra Managers in the local area particularly, in some school, dispensary or outside a temple or any common place etc. Each Kendra is allotted a time slot, meeting is held for 30- 40 minutes. All the members have to be present on time and sit in a Circle. Kendra Manager sits in the middle of that circle. Everyone is punctual to the meetings and late comers have to pay fine @ Re 1. Each Kendra (Village or Urban) has 20-30 members and each are divided in three groups of 10 members each. Attendance Register is maintained and kept with the Center Leader. They also keep a separate register for Attendance and Collection. If members do not come then fine is levied on them and they are not eligible for any 'Emergency loan'. Kendra Manager sign the Register and puts comments on the same. They sing a song or anthem once they start the meeting and also at the closing of the meeting. Collection is done as per the sheet with the Kendra Manager. If any member does not pay then the other members of the group have to pay on her behalf. Total Collection needs to be 100% and in cash. After the meeting they are granted some additional EL, Emergency Loan (for the purposes of Electricity Bills, School fees etc.) the same is given max. of Rs.1000/- and a fee of Rs.30/- is charged. EL can be granted only if no one is absent and if at least three members give their consent to it. This

works as a deterrent to the Collection to be 100%.Members are also given Maternity Leave as they would not be able to attend the meetings.

### **3.13 Limitations of the Study**

The following are the limitations on the results of this study:

- 1) Due to the paucity of time all the 148 branches of Grameen Koota could not be approached. Also, geographical limitation could not visit Branches at Maharashtra and Andhra Pradesh. The research could have been done in more than one geographical areas.
- 2) We have considered only one Micro Finance Institution, if more Institutes are considered then a better conclusion could have been drawn.
- 3) Language was one more limitation. The respondents understood Vernacular Language so had to take help of an Translator. The data analysis can be more objective if the language is known to us.
- 4) It has been found that in the northern part of India, fewer studies have been done since micro-finance to rural women in this part of India is not so prevalent. Thus, there is a micro-finance and recommend implementing the same in NCR (National Capital Region).
- 5) The study has not included the changes after the year 2013 which may have happened in the field of microfinance. Thus, the results may vary.
- 6) This study has not included the crisis caused in Andhra Pradesh in the year 2010 as the study pertained to Bangalore.

## Chapter-4

### DATA ANALYSIS AND INTERPRETATION

In this chapter the results of ordinary least squares (OLS) analysis applied on the overall sample has been presented. The interpretations based on the results of hypotheses testing for each measure are stated here. These interpretations have helped us to reach to the conclusion of our findings.

The survey was given to 250 ladies respondents and a sum of 190 ladies responded to the survey completely. Out of the aggregate of 190 respondents only 126 respondents availed microcredit from the company Grameen Koota. 64 of the respondents were sanctioned the loan however they had not yet availed the disbursement of the microcredit which would take few weeks. All these respondents were the clients of Grameen Koota, Bangalore. The study expects to assess the impacts of microcredit on women empowerment. What's more all the respondents are from the same Micro-financing scheme. So no examination has been carried out demonstrating the contrasts in the strengthening of around microfinance organization. Various parameters which have been studied are:-

**Table 4.1-Demographic Profile of Respondents showing various parameters**

<b>Parameter</b>	<b>190 respondents</b>		<b>126 respondents who received microfinance</b>		<b>64 of the respondents who were sanctioned but were yet to be disbursed</b>	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
Age	34.0	10.6	36.1	10.3	29.8	10.1
Monthly Expenditure	10.9	3.8	10.9	3.8	2.4	1.5
Number of Children	2.6	1.3	2.6	1.2	2.4	1.5
Land in Acres	0.3	0.4	0.3	0.4	0.3	0.2
Number of income earners	1.5	0.7	1.6	0.8	0.7	0.5
Education	0.8	0.4	0.8	0.4	0.7	0.5

Table- 4.1 gives the attributes of the specimen for microcredit borrowers and impending micro credit borrowers. Microcredit borrowers have a tendency to be more seasoned and have a marginally higher month to month use. Additionally, microcredit borrowers have somewhat more pay earners in the family and children contrasted with forthcoming microcredit borrowers. What is not noted in Table-4.1 in regards to demography was that all the respondents were married, separated, or widowed. Additionally, all the respondents had no less than one child.

**Table 4.2- Effect of Different Income Profiles on the Respondents**

<b>Parameters</b>	<b>190 respondents</b>		126 respondents who received microfinance		64 of the respondents who were sanctioned but were yet to be disbursed	
	Number	Percentage	Number	Percentage	Number	Percentage
Agricultural Work	87	45.8%	51	40.5%	36	56.3%
Non-Agricultural work	12	6.3%	10	7.9%	2	3.1%
Own Business	11	5.8%	10	7.9%	1	1.6%
Husband's Business	80	42.1%	55	43.7%	25	39.1%

Table4.2- gives data with respect to pay gaining profile for microcredit borrowers and impending microcredit borrowers. The picture that rises will be that impending microcredit borrowers appear to be, on normal, more included in the agrarian area contrasted with microcredit borrowers. Then again, microcredit borrowers appear to be, on normal, more included in the non-agricultural segment. Moreover, microcredit borrowers appear to be more probable, contrasted with impending microcredit borrowers, to be included in own business.

**Table 4.3- Analysis of ( Sub-Groups) various indicators on respondents**

Parameters	190 respondents		126 respondents who received micro credit		64 of the respondents who were accepted for disbursement	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
<b><u>Decision making indicators</u></b>						
Make a small purchase	0.25	0.43	0.29	0.46	0.16	0.37
Without consulting husband						
Have a say if she can purchase major goods for the household	0.72	0.45	0.76	0.43	0.64	0.48
Have a say if they can work outside Home	0.11	0.31	0.14	0.35	0.05	0.21
Have a say in using the loan	0.87	0.34	0.90	0.29	0.80	0.41
Have a say in whether or not to send children to school	0.91	0.29	0.97	0.18	0.78	0.42
<b><u>Ownership indicators</u></b>						
Land in own name	0.04	0.20	0.06	0.23	0.02	0.13
Valuable owned such as jewellery	0.57	0.50	0.59	0.49	0.55	0.50
Have own operated saving account	0.34	0.47	0.50	0.50	0.02	0.13
<b><u>Voice indicators</u></b>						
People in the village listen to ideas and opinions	0.96	0.20	0.98	0.13	0.91	0.29
Comfortable giving opinion to the husband	0.77	0.42	0.82	0.39	0.69	0.47
<b><u>Mobility indicators</u></b>						
Comfortable going to the local market	0.15	0.36	0.17	0.38	0.11	0.31
Comfortable going to the neighboring Village	0.01	0.10	0.02	0.13	0.00	0.00

**Table 4.3**-presents the strengthening markers of this study, divided into the four subgroups. The markers are relating to the inquiries on strengthening in the poll. To have the capacity to measure the respondent's explanations for these inquiries a YES is converted to a 1, and a NO is changed to a 0. As such, a respondent given a 1 is seen as more engaged than a respondent given a 0. The expansive picture that rises is that microcredit borrowers are, on normal, more enabled contrasted with impending microcredit borrower. This is seen by means of a higher esteem on every strengthening pointer. Likewise, the dominant part of both microcredit borrowers and impending microcredit borrower show, low strengthening levels in the part of portability, choosing to work outside the home, and area possession. To estimate the effect of micro credit on empowerment this study constructs a multiple linear regression model with the ordinary least squares (OLS) method.

#### **4.1 Model specification**

The method of ordinary least squares (OLS) has been used to analyze the data. As mentioned earlier, the aim of this study is evaluate the impact of micro credit on women empowerment. The OLS model suits the purpose well in that a positive effect of micro credit on women empowerment is captured by the coefficient  $\beta_2$ . The null hypotheses is that micro credit has no effect women empowerment. If  $\beta_2$  obtains a significant positive value, it means that the null hypotheses can be rejected and that micro credit has a positive effect on women empowerment. Women empowerment is measured via an empowerment index. The index is built on the empowerment indicators presented earlier, which in turn are derived from the respondent's answers on the thirteen appropriate empowerment questions in the questionnaire. To be able to measure the respondent's answers to these questions a YES is transformed to a 1 and a NO is transformed to a 0. The values for each of the thirteen empowerment indicators are then summed into an aggregate index with one M point increments from 0 to 13. An individual with a high aggregate empowerment Index empowerment score is considered to be more empowered than an individual with a low aggregate empowerment index score. The OLS model, in its most basic form, only includes the dependent variable empowerment index and the independent variable micro credit borrower. The model is then built up gradually by adding one independent control variable at a time. This is done to derive how the relationship between micro credit and women empowerment changes when independent control variables are added. There are a total of twelve independent variables conducted for in the model. Thus, there are twelve models, where the most comprehensive model includes twelve independent

variables. Equation1 below defines the most comprehensive model with all the independent variables.

**Equation 1:**

$$\text{Empowerment index} = \beta + \beta_1 \text{ Membership} + \beta_2 \text{ Age} + \beta_3 \text{ Micro credit borrower} + \beta_4 \text{ Education} + \beta_5 \text{ Husband's Business} + \beta_6 \text{ Expenditure} + \beta_7 \text{ Years of Micro credit Program} + \beta_8 \text{ Agriculture work} + \beta_9 \text{ Household Landownership} + \beta_{10} \text{ Own Business} + \beta_{11} \text{ Age at Marriage} + \beta_{12} \text{ Number of Children} + \beta_{13} \text{ Number of Income earners in the Household} + \epsilon$$

Furthermore, this study aims to investigate the impact of micro credit on each of the empowerment indicators presented in table 5.1. The OLS models are, like before, built up gradually by adding one independent at a time. But the dependent variable is no longer empowerment index. Instead, each of the empowerment indicators is the dependent variable one at the time. In other words, the second OLS model has make small purchases as the dependent variable, the third OLS model has involved in decision to make large purchases as the dependent variable etc. As before, the relationship between the dependent variable and micro credit borrower is first tested, then independent control variables are gradually added.

**TABLE 4.4 OLS Results| dependent variable: Ability to make small purchases**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.137* (0.0658)	0.132 (0.0933)	0.0875 (0.0955)	0.0877 (0.0963)	0.101 (0.0956)	0.101 (0.0962)	0.105 (0.0947)	0.0998 (0.0926)	0.0861 (0.0959)	0.0859 (0.0965)	0.0834 (0.0964)	0.08458 (0.0967)
Years of Microcredit Program		0.000468 (0.00599)	0.00862 (0.00727)	0.00862 (0.00729)	0.00641 (0.00730)	0.00641 (0.00732)	0.00434 (0.00724)	0.00303 (0.00709)	0.00251 (0.00738)	0.00252 (0.00740)	0.00230 (0.00739)	0.00212 (0.00743)
Age			00.00723 (0.00372)	00.00723 (0.00376)	00.00636 (0.00375)	00.00636 (0.00376)	00.00610 (0.00370)	00.00522 (0.00363)	00.00554 (0.00382)	00.00549 (0.00415)	00.00545 (0.00414)	00.00596 (0.00445)
Education				0.00112 (0.0745)	00.0198 (0.0744)	00.0195 (0.0761)	00.0235 (0.0748)	00.0186 (0.0732)	00.0249 (0.0766)	00.0248 (0.0769)	00.0145 (0.0772)	00.0110 (0.0782)
Expenditure					0.188* (0.0882)	0.188* (0.0884)	0.152 (0.0881)	0.140 (0.0862)	0.120 (0.0892)	0.120 (0.0897)	0.109 (0.0900)	0.103 (0.0918)
Agricultural Work						0.00102 (0.0642)	0.0349 (0.0644)	00.306* (0.127)	00.303* (0.129)	00.303* (0.129)	00.314* (0.130)	00.294* (0.144)
Own Business							0.365** (0.137)	0.0322 (0.172)	0.0497 (0.175)	0.0495 (0.175)	0.0132 (0.178)	0.0183 (0.179)
Husband's Business								00.392** (0.128)	00.390** (0.129)	00.390** (0.130)	00.399** (0.130)	00.379* (0.146)
Age of Marriage									0.0139 (0.0130)	0.0139 (0.0131)	0.0142 (0.0131)	0.0147 (0.0132)
Number of Children										00.000755 (0.0283)	00.00528 (0.0285)	00.00596 (0.0286)
Household Land ownership											0.110 (0.0892)	0.109 (0.0896)
Number of Income earners in the Household												0.0180 (0.0563)
_cons	0.156** (0.0536)	0.156** (0.0537)	0.372** (0.123)	0.372** (0.124)	00.0826 (0.246)	00.0833 (0.251)	00.0303 (0.247)	0.319 (0.267)	0.182 (0.322)	0.184 (0.328)	0.192 (0.328)	0.171 (0.335)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.017	0.012	0.027	0.021	0.040	0.035	0.066	0.107	0.105	0.100	0.103	0.098

Standard errors in parentheses  
\* means statistically significant at 10%, \*\* means statistically significant at 5%, \*\*\* means statistically significant at 1%.



**TABLE-4.5 OLS Results<sup>0</sup> dependent variable:Involved in decision to make large purchases**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.121 (0.0686)	0.112 (0.0973)	0.120 (0.101)	0.115 (0.101)	0.117 (0.102)	0.126 (0.102)	0.129 (0.101)	0.125 (0.100)	0.0727 (0.100)	0.0727 (0.101)	0.0713 (0.101)	0.0739 (0.101)
YearsofMicrocreditProgram Membership		0.000869 (0.00625)	00.000576 (0.00766)	00.000554 (0.00768)	00.000851 (0.00777)	00.000691 (0.00778)	00.00251 (0.00774)	00.00346 (0.00769)	00.00330 (0.00771)	00.00330 (0.00774)	00.00343 (0.00775)	00.00383 (0.00778)
Age			0.00128 (0.00391)	0.00152 (0.00396)	0.00164 (0.00399)	0.00181 (0.00400)	0.00205 (0.00396)	0.00268 (0.00393)	0.000967 (0.00399)	0.000957 (0.00434)	0.000982 (0.00435)	00.000216 (0.00466)
Education				00.0344 (0.0784)	00.0373 (0.0793)	00.0221 (0.0808)	00.0256 (0.0800)	00.0220 (0.0793)	00.0269 (0.0801)	00.0269 (0.0804)	00.0209 (0.0810)	00.0127 (0.0819)
Expenditure					0.0253 (0.0939)	0.0256 (0.0939)	00.00649 (0.0941)	00.0150 (0.0934)	00.0629 (0.0932)	00.0629 (0.0938)	00.0693 (0.0944)	00.0820 (0.0962)
AgriculturalWork						0.0667 (0.0682)	0.0965 (0.0688)	00.151 (0.138)	00.140 (0.135)	00.140 (0.135)	00.146 (0.136)	00.0982 (0.151)
Own Business							0.321* (0.147)	0.0790 (0.187)	0.118 (0.183)	0.118 (0.183)	0.0968 (0.186)	0.109 (0.187)
Husband's Business								00.285* (0.138)	00.275* (0.135)	00.275* (0.136)	00.280* (0.137)	00.232 (0.153)
Age of Marriage									0.0282* (0.0136)	0.0282* (0.0137)	0.0284* (0.0137)	0.0296* (0.0138)
Number of Children									0.000176 (0.0296)	00.00245 (0.0299)	00.00404 (0.0300)	
Household Landownership										0.0641 (0.0936)	0.0608 (0.0938)	
Number of Income earners in the Household											0.0424 (0.0590)	
_cons	0.641*** (0.0559)	0.641*** (0.0560)	0.602*** (0.130)	0.606*** (0.130)	0.544* (0.262)	0.496 (0.266)	0.543* (0.264)	0.797** (0.290)	0.578 (0.337)	0.578 (0.343)	0.583 (0.344)	0.533 (0.351)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.011	0.006	0.001	00.003	00.008	00.008	0.012	0.029	0.035	0.029	0.026	0.024

**TABLE 4.6 OLS Results: dependent variable: Involved in decision to work outside the home**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower												
	0.0960*	0.0196	0.00513	0.0107	0.0178	10.00234	0.00657	10.000471	10.00596	10.00743	10.00778	10.00732
	(0.0479)	(0.0674)	(0.0695)	(0.0700)	(0.0699)	(0.0684)	(0.0508)	(0.0407)	(0.0423)	(0.0426)	(0.0427)	(0.0428)
Years of Microcredit Program Membership												
	0.00693	0.00957	0.00955	0.00836	0.00800	0.00290	0.000993	0.00175	0.00179	0.00175	0.00168	0.00168
	(0.00433)	(0.00530)	(0.00530)	(0.00534)	(0.00520)	(0.00389)	(0.00312)	(0.00325)	(0.00326)	(0.00327)	(0.00329)	(0.00329)
Age												
	10.00234	10.00262	10.00215	10.00254	10.00189	10.000617	10.000954	10.000679	10.000673	10.000890	10.000890	10.000890
	(0.00271)	(0.00274)	(0.00274)	(0.00267)	(0.00199)	(0.00160)	(0.00169)	(0.00183)	(0.00183)	(0.00183)	(0.00183)	(0.00197)
Education												
	0.0396	0.0284	0.0284	0.0284	0.0284	10.00539	10.0152	10.00807	10.00230	10.00152	10.0000465	0.00143
	(0.0542)	(0.0544)	(0.0541)	(0.0542)	(0.0542)	(0.0402)	(0.0322)	(0.0338)	(0.0338)	(0.0339)	(0.0342)	(0.0346)
Expenditure												
	0.101	0.100	0.0102	0.100	0.100	0.0102	10.00690	10.0000101	10.00124	10.00283	10.00512	10.00512
	(0.0645)	(0.0629)	(0.0472)	(0.0629)	(0.0472)	(0.0379)	(0.0379)	(0.0393)	(0.0396)	(0.0399)	(0.0399)	(0.0406)
Agricultural Work												
	10.149**	10.0653	10.559***	10.557***	10.556***	10.558***	10.549***	10.549***	10.549***	10.549***	10.549***	10.549***
	(0.0456)	(0.0345)	(0.0560)	(0.0569)	(0.0571)	(0.0573)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)
Own Business												
	0.901***	0.418***	0.412***	0.411***	0.406***	0.408***	0.408***	0.408***	0.408***	0.408***	0.408***	0.408***
	(0.0736)	(0.0758)	(0.0771)	(0.0773)	(0.0786)	(0.0791)	(0.0791)	(0.0791)	(0.0791)	(0.0791)	(0.0791)	(0.0791)
Husband's Business												
	10.568***	10.566***	10.569***	10.569***	10.570***	10.562***	10.562***	10.562***	10.562***	10.562***	10.562***	10.562***
	(0.0561)	(0.0570)	(0.0575)	(0.0578)	(0.0645)	(0.0645)	(0.0645)	(0.0645)	(0.0645)	(0.0645)	(0.0645)	(0.0645)
Age of Marriage												
	10.00599	10.00610	10.00606	10.00584	10.00584	10.00584	10.00584	10.00584	10.00584	10.00584	10.00584	10.00584
	(0.00574)	(0.00576)	(0.00578)	(0.00584)	(0.00584)	(0.00584)	(0.00584)	(0.00584)	(0.00584)	(0.00584)	(0.00584)	(0.00584)
Number of Children												
	10.00489	10.00553	10.00582	10.00582	10.00582	10.00582	10.00582	10.00582	10.00582	10.00582	10.00582	10.00582
	(0.0125)	(0.0126)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)	(0.0127)
Household Landownership												
	0.0158	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152	0.0152
	(0.0395)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)	(0.0397)
Number of income earners in the household												
	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768	0.00768
	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)	(0.0249)
_cons												
	0.04469	0.04469	0.1117	0.1113	0.10131	10.00238	0.107	6.613***	6.696***	7.706***	7.707***	6.698***
	(0.0390)	(0.0388)	(0.0896)	(0.0898)	(0.180)	(0.178)	(0.133)	(0.117)	(0.142)	(0.145)	(0.145)	(0.148)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.016	0.024	0.023	0.020	0.028	0.076	0.491	0.673	0.672	0.670	0.669	0.667

**TABLE 4.7 OLS Results of dependent variable: Involved in decision on how many children to have**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.108* (0.0516)	0.0220 (0.0726)	0.0375 (0.0748)	0.0451 (0.0753)	0.0519 (0.0753)	0.0551 (0.0757)	0.0558 (0.0758)	0.0539 (0.0756)	0.0210 (0.0710)	0.0165 (0.0714)	0.0183 (0.0713)	0.0194 (0.0715)
Years of Microcredit Program Membership		0.00780 (0.00466)	0.00496 (0.00570)	0.00493 (0.00570)	0.00378 (0.00575)	0.00383 (0.00576)	0.00340 (0.00580)	0.00290 (0.00580)	0.00477 (0.00547)	0.00467 (0.00548)	0.00451 (0.00547)	0.00466 (0.00550)
Age			0.00252 (0.00291)	0.00215 (0.00294)	0.00260 (0.00295)	0.00266 (0.00296)	0.00272 (0.00297)	0.00305 (0.00297)	0.000172 (0.00283)	0.000673 (0.00307)	0.000641 (0.00307)	0.000174 (0.00329)
Education				0.0535 (0.0583)	0.0426 (0.0586)	0.0479 (0.0599)	0.0471 (0.0600)	0.0489 (0.0598)	0.0585 (0.0567)	0.0561 (0.0569)	0.0638 (0.0572)	0.0607 (0.0579)
Expenditure					0.0980 (0.0694)	0.0981 (0.0696)	0.0904 (0.0706)	0.0859 (0.0704)	0.0436 (0.0661)	0.0474 (0.0664)	0.0391 (0.0666)	0.0441 (0.0679)
Agricultural Work						0.0232 (0.0505)	0.0302 (0.0516)	0.0101 (0.104)	0.0841 (0.0956)	0.0859 (0.0958)	0.0937 (0.0958)	0.0112 (0.107)
Own Business							0.0765 (0.110)	0.0514 (0.141)	0.0182 (0.129)	0.0143 (0.130)	0.0414 (0.131)	0.0461 (0.132)
Husband's Business								0.0151 (0.104)	0.0134 (0.0957)	0.0125 (0.0965)	0.0132 (0.0965)	0.0151 (0.108)
Age of Marriage									0.0214* (0.00964)	0.0218* (0.00967)	0.0220* (0.00966)	0.0215* (0.00975)
Number of Children										0.0150 (0.0209)	0.0116 (0.0211)	0.0122 (0.0212)
Household Land ownership											0.0823 (0.0660)	0.0837 (0.0663)
Number of income earners in the Household												0.0165 (0.0417)
_cons	0.797*** (0.0420)	0.797*** (0.0418)	0.722*** (0.0964)	0.717*** (0.0966)	0.480* (0.193)	0.464* (0.197)	0.475* (0.198)	0.609** (0.218)	0.520* (0.239)	0.490* (0.243)	0.497* (0.242)	0.516* (0.248)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. R <sup>2</sup> sq	0.018	0.027	0.026	0.025	0.030	0.026	0.023	0.029	0.034	0.031	0.034	0.030

**TABLE 4.8 OLS Results | dependent variable: Involved in decision to buy or sell property**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.132 (0.0758)	0.258* (0.107)	0.274* (0.110)	0.276* (0.111)	0.273* (0.112)	0.276* (0.112)	0.276* (0.113)	0.275* (0.113)	0.261* (0.114)	0.265* (0.115)	0.264* (0.115)	0.258* (0.115)
Years of Microcredit Program Membership		10.0114 (0.00685)	10.0143 (0.00839)	10.0143 (0.00842)	10.0138 (0.00852)	10.0138 (0.00854)	10.0134 (0.00861)	10.0137 (0.00865)	10.0165 (0.00881)	10.0166 (0.00883)	10.0168 (0.00885)	10.0160 (0.00886)
Age			0.00254 (0.00429)	0.00246 (0.00434)	0.00227 (0.00438)	0.00234 (0.00439)	0.00230 (0.00440)	0.00246 (0.00443)	0.00261 (0.00456)	0.00191 (0.00495)	0.00193 (0.00496)	0.00431 (0.00530)
Education				0.0108 (0.0860)	0.0153 (0.0869)	0.0211 (0.0888)	0.0217 (0.0890)	0.0226 (0.0892)	10.00281 (0.0914)	10.00481 (0.0918)	0.00177 (0.0925)	10.0144 (0.0932)
Expenditure					10.0410 (0.103)	10.0408 (0.103)	10.0352 (0.105)	10.0373 (0.105)	10.0973 (0.106)	10.0942 (0.107)	10.101 (0.108)	10.0762 (0.109)
Agricultural Work						0.0256 (0.0749)	0.0204 (0.0766)	10.0412 (0.155)	10.0424 (0.154)	10.0439 (0.154)	10.0506 (0.155)	10.145 (0.172)
Own Business							10.0563 (0.163)	10.117 (0.210)	10.0653 (0.209)	10.0620 (0.209)	10.0852 (0.213)	10.109 (0.213)
Husband's Business								10.0709 (0.155)	10.0698 (0.154)	10.0627 (0.156)	10.0684 (0.156)	10.164 (0.174)
Age of Marriage									0.0426** (0.0155)	0.0428** (0.0156)	0.0430** (0.0156)	0.0406* (0.0157)
Number of Children										0.0125 (0.0338)	0.00961 (0.0341)	0.0128 (0.0341)
Household Land ownership											0.0703 (0.107)	0.0770 (0.107)
Number of Income earners in the Household												10.0841 (0.0672)
_cons	0.344*** (0.0617)	0.344*** (0.0614)	0.268 (0.142)	0.267 (0.143)	0.366 (0.287)	0.348 (0.292)	0.339 (0.294)	0.403 (0.326)	10.0676 (0.385)	10.0922 (0.391)	10.0868 (0.392)	0.0115 (0.399)
N	190	190	190	190	190	190	190	190	190	190	190	190
	0.011	0.020	0.017	0.011	0.007	0.002	10.003	10.007	0.020	0.016	0.012	0.016

**TABLE 4.9 OLS Results | dependent variable: Involved in decision to send child rento school**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.187*** (0.0431)	0.123* (0.0607)	0.148* (0.0623)	0.153* (0.0627)	0.158* (0.0628)	0.156* (0.0632)	0.156* (0.0633)	0.156* (0.0635)	0.0789 (0.0580)	0.0875 (0.0579)	0.0867 (0.0580)	0.0830 (0.0576)
Years of Microcredit Program Membership		0.00584 (0.00390)	0.00131 (0.00475)	0.00128 (0.00475)	0.000486 (0.00479)	0.000445 (0.00481)	0.000388 (0.00485)	0.000485 (0.00487)	0.00318 (0.00446)	0.00298 (0.00444)	0.00291 (0.00445)	0.00349 (0.00443)
Age			0.00401 (0.00242)	0.00373 (0.00245)	0.00404 (0.00246)	0.00400 (0.00247)	0.00400 (0.00248)	0.00394 (0.00249)	0.000798 (0.00231)	10.000824 (0.00249)	10.000811 (0.00249)	0.000910 (0.00265)
Education				0.0412 (0.0485)	0.0337 (0.0489)	0.0298 (0.0499)	0.0297 (0.0501)	0.0294 (0.0502)	0.0448 (0.0463)	0.0402 (0.0461)	0.0435 (0.0465)	0.0318 (0.0466)
Expenditure					0.0680 (0.0579)	0.0679 (0.0580)	0.0669 (0.0589)	0.0678 (0.0591)	0.0364 (0.0539)	0.0437 (0.0538)	0.0401 (0.0542)	0.0582 (0.0547)
Agricultural Work						10.0170 (0.0421)	10.0161 (0.0431)	0.00886 (0.0875)	0.0258 (0.0780)	0.0225 (0.0776)	0.0191 (0.0779)	10.0492 (0.0861)
Own Business							0.00998 (0.0917)	0.0343 (0.118)	0.0581 (0.106)	0.0657 (0.105)	0.0540 (0.107)	0.0365 (0.107)
Husband's Business								0.0287 (0.0875)	0.0475 (0.0781)	0.0640 (0.0783)	0.0611 (0.0785)	10.00818 (0.0869)
Age of Marriage									0.0131 (0.00787)	0.0138 (0.00784)	0.0138 (0.00785)	0.0121 (0.00786)
Number of Children										0.0288 (0.0170)	0.0274 (0.0171)	0.0296 (0.0171)
Household Landownership											0.0355 (0.0537)	0.0404 (0.0534)
Number of Income earners in the Household												10.0609 (0.0336)
_cons	0.781*** (0.0351)	0.781*** (0.0350)	0.662*** (0.0803)	0.658*** (0.0804)	0.494** (0.161)	0.506** (0.164)	0.507** (0.165)	0.482** (0.183)	0.496* (0.195)	0.439* (0.197)	0.442* (0.197)	0.513* (0.200)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.086	0.092	0.101	0.099	0.101	0.097	0.092	0.088	0.051	0.061	0.058	0.070

**TABLE 4.10 OLS Results (dependent variable: Landownership in own name)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.0399 (0.0309)	0.0466 (0.0437)	0.0781 (0.0442)	0.0688 (0.0441)	0.0714 (0.0442)	0.0695 (0.0445)	0.0710 (0.0439)	0.0714 (0.0440)	0.0872 (0.0447)	0.0846 (0.0450)	0.0829 (0.0447)	0.0806 (0.0445)
Years of Microcredit Program Membership	10.000604 (0.00281)	10.00635 (0.00337)	10.00631 (0.00334)	10.00674* (0.00338)	10.00678* (0.00338)	10.00765* (0.00336)	10.00756* (0.00337)	10.00986** (0.00344)	10.00981** (0.00345)	10.00996** (0.00342)	10.00959** (0.00342)	
Age	0.00510** (0.00172)	0.00555** (0.00172)	0.00573** (0.00173)	0.00569** (0.00174)	0.00580*** (0.00172)	0.00573** (0.00173)	0.00681*** (0.00178)	0.00728*** (0.00193)	0.00731*** (0.00192)	0.00841*** (0.00205)		
Education	10.0661 (0.0341)	10.0702* (0.0344)	10.0735* (0.0352)	10.0751* (0.0347)	10.0755* (0.0348)	10.0968** (0.0357)	10.0955** (0.0358)	10.0883* (0.0358)	10.0958** (0.0360)			
Expenditure	0.0370 (0.0408)	0.0369 (0.0409)	0.0214 (0.0408)	0.0223 (0.0410)	0.00318 (0.0416)	0.00107 (0.0418)	10.00662 (0.0423)	0.00491 (0.0423)				
Agricultural Work	10.0143 (0.0297)	0.0000491 (0.0299)	0.0255 (0.0606)	0.0197 (0.0602)	0.0206 (0.0603)	0.0133 (0.0600)	10.0301 (0.0665)					
Own Business			0.155* (0.0636)	0.180* (0.0819)	0.199* (0.0815)	0.196* (0.0817)	0.171* (0.0823)	0.160 (0.0823)				
Husband's Business			0.0293 (0.0606)	0.0242 (0.0602)	0.0194 (0.0608)	0.0132 (0.0605)	10.0309 (0.0671)					
Age of Marriage												
Number of Children												
Household Landownership												
Number of Income earners in the Household												
_cons	0.0156 (0.0251)	0.0156 (0.0252)	10.136* (0.0569)	10.130* (0.0566)	10.220 (0.114)	10.209 (0.116)	10.187 (0.115)	10.213 (0.127)	10.460** (0.150)	10.443** (0.153)	10.437** (0.152)	10.392* (0.154)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.004	10.002	0.039	0.053	0.052	0.048	0.073	0.069	0.108	0.105	0.118	0.124

**TABLE 4.11 OLS Results: dependent variable: Personally own property and/or valuables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.0404 (0.0763)	10.0554 (0.108)	10.0344 (0.111)	0.00250 (0.109)	0.00750 (0.110)	0.00396 (0.110)	0.00575 (0.110)	0.00811 (0.110)	0.0223 (0.113)	0.0113 (0.114)	0.0112 (0.114)	0.00689 (0.114)
Years of Microcredit Program Membership		0.00870 (0.00691)	0.00487 (0.00846)	0.00471 (0.00827)	0.00387 (0.00837)	0.00381 (0.00839)	0.00278 (0.00843)	0.00342 (0.00844)	0.00142 (0.00873)	0.00167 (0.00873)	0.00166 (0.00875)	0.00233 (0.00878)
Age			0.00339 (0.00432)	0.00158 (0.00427)	0.00191 (0.00430)	0.00184 (0.00431)	0.00197 (0.00431)	0.00154 (0.00432)	0.00295 (0.00452)	0.00501 (0.00489)	0.00501 (0.00491)	0.00700 (0.00525)
Education				0.262** (0.0845)	0.254** (0.0854)	0.248** (0.0872)	0.246** (0.0871)	0.244** (0.0870)	0.219* (0.0906)	0.225* (0.0907)	0.226* (0.0915)	0.212* (0.0924)
Expenditure					0.0714 (0.101)	0.0712 (0.101)	0.0532 (0.103)	0.0589 (0.102)	0.0537 (0.106)	0.0445 (0.106)	0.0439 (0.107)	0.0649 (0.108)
Agricultural Work						10.0261 (0.0735)	10.00940 (0.0750)	0.156 (0.152)	0.159 (0.153)	0.163 (0.153)	0.163 (0.153)	0.0837 (0.171)
Own Business							0.180 (0.160)	0.342 (0.205)	0.351 (0.207)	0.341 (0.207)	0.339 (0.210)	0.319 (0.211)
Husband's Business								0.190 (0.152)	0.177 (0.153)	0.156 (0.154)	0.156 (0.155)	0.0757 (0.172)
Age of Marriage									0.00886 (0.0154)	0.00798 (0.0154)	0.00800 (0.0155)	0.00599 (0.0156)
Number of Children										10.0367 (0.0334)	10.0369 (0.0337)	10.0342 (0.0338)
Household Land ownership											0.00535 (0.106)	0.0110 (0.106)
Number of Income earners in the Household												10.0703 (0.0665)
_cons	0.547*** (0.0621)	0.547*** (0.0620)	0.446** (0.143)	0.422** (0.140)	0.250 (0.282)	0.269 (0.287)	0.295 (0.288)	0.125 (0.318)	10.0322 (0.381)	0.0401 (0.387)	0.0405 (0.388)	0.123 (0.396)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	10.004	10.001	10.003	0.042	0.039	0.034	0.036	0.039	0.029	0.030	0.025	0.026

**TABLE 4.12 OLS Results: dependent variable: Own independent savings**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.484*** (0.0638)	0.380*** (0.0898)	0.371*** (0.0927)	0.385*** (0.0930)	0.398*** (0.0923)	0.389*** (0.0927)	0.391*** (0.0924)	0.384*** (0.0877)	0.385*** (0.0914)	0.374*** (0.0916)	0.374*** (0.0918)	0.367*** (0.0909)
Years of Microcredit Program Membership		0.00951 (0.00576)	0.0111 (0.00707)	0.0111 (0.00705)	0.00894 (0.00705)	0.00878 (0.00705)	0.00767 (0.00707)	0.00581 (0.00672)	0.00577 (0.00704)	0.00601 (0.00702)	0.00606 (0.00704)	0.00718 (0.00698)
Age			10.00145 (0.00361)	10.00217 (0.00363)	10.00132 (0.00362)	10.00150 (0.00362)	10.00136 (0.00361)	10.000117 (0.00344)	10.000111 (0.00364)	0.00189 (0.00394)	0.00188 (0.00395)	0.00520 (0.00418)
Education				0.104 (0.0720)	0.0835 (0.0719)	0.0680 (0.0733)	0.0659 (0.0730)	0.0729 (0.0693)	0.0750 (0.0730)	0.0806 (0.0730)	0.0782 (0.0736)	0.0556 (0.0735)
Expenditure					0.182* (0.0852)	0.182* (0.0852)	0.162 (0.0860)	0.146 (0.0817)	0.146 (0.0850)	0.137 (0.0851)	0.140 (0.0858)	0.175* (0.0863)
Agricultural Work						10.0680 (0.0618)	10.0499 (0.0628)	10.532*** (0.121)	10.532*** (0.123)	10.528*** (0.123)	10.525*** (0.123)	10.657*** (0.136)
Own Business							0.195 (0.134)	10.276 (0.163)	10.276 (0.167)	10.286 (0.166)	10.277 (0.169)	10.311 (0.168)
Husband's Business								10.555*** (0.121)	10.555*** (0.123)	10.575*** (0.124)	10.573*** (0.124)	10.707*** (0.137)
Age of Marriage									0.000269 (0.0124)	10.000581 (0.0124)	10.000653 (0.0124)	10.00399 (0.0124)
Number of Children										10.0356 (0.0268)	10.0345 (0.0271)	10.0301 (0.0269)
Household Land ownership											10.0263 (0.0850)	10.0169 (0.0842)
Number of Income earners in the Household												10.117* (0.0530)
_cons	0.0156 (0.0520)	0.0156 (0.0517)	0.0588 (0.120)	0.0494 (0.119)	0.0390 (0.237)	0.0341 (0.241)	0.0313 (0.241)	0.182 (0.253)	0.175 (0.307)	0.245 (0.311)	0.243 (0.312)	0.381 (0.315)
N	190	190	190	190	190	190	190	190	190	190	190	190
	0.231	0.238	0.234	0.238	0.253	0.254	0.258	0.332	0.318	0.321	0.318	0.338



	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.130* (0.0639)	0.0608 (0.0903)	0.0709 (0.0932)	0.0677 (0.0940)	0.0799 (0.0934)	0.0606 (0.0927)	0.0606 (0.0930)	0.0597 (0.0932)	10.00726 (0.0930)	10.0288 (0.0918)	10.0296 (0.0920)	10.0307 (0.0923)
Years of Microcredit Program Membership		0.00628 (0.00579)	0.00444 (0.00710)	0.00446 (0.00712)	0.00242 (0.00714)	0.00208 (0.00705)	0.00208 (0.00711)	0.00186 (0.00714)	0.00401 (0.00716)	0.00450 (0.00704)	0.00443 (0.00706)	0.00460 (0.00709)
Age			0.00163 (0.00363)	0.00179 (0.00367)	0.00259 (0.00366)	0.00221 (0.00363)	0.00221 (0.00364)	0.00236 (0.00366)	10.000294 (0.00371)	0.00374 (0.00395)	0.00376 (0.00396)	0.00426 (0.00425)
Education				1.00224 (0.0727)	1.00417 (0.0728)	1.00741 (0.0733)	1.00741 (0.0735)	1.00733 (0.0737)	10.0655 (0.0743)	10.0541 (0.0731)	10.0508 (0.0737)	10.0542 (0.0747)
Expenditure					0.174* (0.0862)	0.173* (0.0852)	0.173* (0.0865)	0.171 (0.0868)	0.144 (0.0865)	0.126 (0.0853)	0.122 (0.0859)	0.128 (0.0876)
Agricultural Work						10.143* (0.0618)	10.143* (0.0632)	10.200 (0.128)	10.188 (0.125)	10.179 (0.123)	10.183 (0.124)	10.203 (0.138)
Own Business							10.000763 (0.135)	10.0565 (0.173)	10.0339 (0.169)	10.0527 (0.167)	10.0643 (0.169)	10.0694 (0.171)
Husband's Business								10.0656 (0.128)	10.0476 (0.125)	10.0885 (0.124)	10.0914 (0.125)	10.112 (0.139)
Age of Marriage									0.0131 (0.0126)	0.0113 (0.0124)	0.0114 (0.0125)	0.0109 (0.0126)
Number of Children									10.0717** (0.0269)	10.0731** (0.0272)	10.0725** (0.0273)	
Household Land ownership										0.0352 (0.0852)	0.0366 (0.0855)	
Number of Income earners in the Household												10.0177 (0.0538)
_cons	0.688*** (0.0520)	0.688*** (0.0520)	0.639*** (0.120)	0.641*** (0.121)	0.222 (0.240)	0.324 (0.241)	0.324 (0.243)	0.383 (0.269)	0.369 (0.313)	0.510 (0.312)	0.513 (0.313)	0.533 (0.320)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. R <sup>2</sup> sq	0.016	0.017	0.013	0.008	0.024	0.047	0.042	0.038	0.022	0.055	0.050	0.045

TABLE 4.14 OLS Results: dependent variable: Village people listen to ideas and opinions												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower		0.0779* (0.0305)	0.0880* (0.0446)	0.0884 (0.0449)	0.0906* (0.0451)	0.0884 (0.0454)	0.0885 (0.0455)	0.0882 (0.0456)	0.0407 (0.0381)	0.0367 (0.0382)	0.0357 (0.0381)	0.035988 (0.0382888)
Years of Microcredit Program Membership		10.000188 (0.00277)	10.00166 (0.00340)	10.00166 (0.00340)	10.00204 (0.00344)	10.00208 (0.00345)	10.00216 (0.00348)	10.00225 (0.00349)	10.000262 (0.00293)	10.000171 (0.00293)	10.000259 (0.00292)	10.000288 (0.00294)
Age			0.00130 (0.00173)	0.00129 (0.00176)	0.00144 (0.00177)	0.00139 (0.00177)	0.00140 (0.00178)	0.00147 (0.00179)	10.000743 (0.00152)	0.0000104 (0.00164)	0.0000279 (0.00164)	10.0000560 (0.00176)
Education				0.00252 (0.0348)	10.00110 (0.0351)	10.00486 (0.0359)	10.00501 (0.0360)	10.00464 (0.0360)	0.0344 (0.0304)	0.0365 (0.0304)	0.0407 (0.0305)	0.0413 (0.0309)
Expenditure					0.0325 (0.0416)	0.0325 (0.0417)	0.0311 (0.0423)	0.0303 (0.0424)	0.0246 (0.0354)	0.0213 (0.0355)	0.0168 (0.0356)	0.0159 (0.0363)
Agricultural Work						10.0166 (0.0302)	10.0154 (0.0309)	10.0406 (0.0628)	10.0222 (0.0512)	10.0207 (0.0512)	10.0249 (0.0512)	10.0216 (0.0571)
Own Business							0.0132 (0.0659)	10.0115 (0.0849)	10.00518 (0.0694)	10.00868 (0.0693)	1.00233 (0.0702)	10.0225 (0.0707)
Husband's Business								10.0291 (0.0628)	10.0190 (0.0513)	10.0266 (0.0516)	10.0303 (0.0516)	10.0269 (0.0576)
Age of Marriage									0.00433 (0.00517)	0.00401 (0.00517)	0.00413 (0.00516)	0.00422 (0.00521)
Number of Children										10.0134 (0.0112)	10.0152 (0.0113)	10.0153 (0.0113)
Household Landownership											0.0445 (0.0353)	0.0443 (0.0354)
Number of Income earners in the Household												0.00297 (0.0223)
_cons	0.9066*** (0.0248)	0.9066*** (0.0249)	0.867*** (0.0574)	0.867*** (0.0577)	0.789*** (0.116)	0.801*** (0.118)	0.802*** (0.119)	0.828*** (0.132)	0.860*** (0.128)	0.886*** (0.130)	0.890*** (0.129)	0.886*** (0.132)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.028	0.023	0.021	0.016	0.014	0.010	0.005	0.000	10.016	10.014	10.011	10.016

**TABLE-4.15 OLS Results: dependent variable-Comfortable going to the local market without asking for permission**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.0652 (0.0553)	0.113 (0.0782)	0.111 (0.0808)	0.100 (0.0812)	0.109 (0.0810)	0.0983 (0.0811)	0.0970 (0.0810)	0.0941 (0.0802)	0.0824 (0.0835)	0.0714 (0.0835)	0.0682 (0.0830)	0.0695 (0.0832)
Years of Microcredit Program Membership		10.00434 (0.00502)	10.00391 (0.00616)	10.00386 (0.00615)	10.00535 (0.00619)	10.00554 (0.00617)	10.00479 (0.00620)	10.00558 (0.00615)	10.00470 (0.00643)	10.00445 (0.00641)	10.00473 (0.00636)	10.00494 (0.00639)
Age			10.000378 (0.00315)	0.000125 (0.00317)	0.000709 (0.00318)	0.000495 (0.00317)	0.000399 (0.00317)	0.000931 (0.00315)	0.000415 (0.00333)	0.00248 (0.00359)	0.00254 (0.00357)	0.00193 (0.00383)
Education				10.0726 (0.0629)	10.0866 (0.0631)	10.105 (0.0641)	10.104 (0.0640)	10.101 (0.0634)	10.0983 (0.0667)	10.0925 (0.0666)	10.0790 (0.0665)	10.0748 (0.0673)
Expenditure					0.126 (0.0747)	0.126 (0.0745)	0.139 (0.0754)	0.132 (0.0747)	0.139 (0.0777)	0.130 (0.0776)	0.115 (0.0775)	0.109 (0.0790)
Agricultural Work						10.0811 (0.0541)	10.0934 (0.0551)	10.299** (0.110)	10.297** (0.112)	10.293** (0.112)	10.307** (0.111)	10.283* (0.124)
Own Business							10.133 (0.117)	10.334* (0.149)	10.338* (0.152)	10.348* (0.152)	10.395* (0.153)	10.389* (0.154)
Husband's Business								10.237* (0.111)	10.233* (0.112)	10.254* (0.113)	10.266* (0.112)	10.241 (0.125)
Age of Marriage									10.00465 (0.0113)	10.00552 (0.0113)	10.00513 (0.0112)	10.00451 (0.0113)
Number of Children										10.0367 (0.0245)	10.0426 (0.0245)	10.0434 (0.0246)
Household Landownership											0.144 (0.0768)	0.143 (0.0771)
Number of Income earners in the Household												0.0215 (0.0485)
_cons	0.109* (0.0450)	0.109* (0.0451)	0.121 (0.104)	0.127 (0.104)	10.178 (0.208)	10.119 (0.211)	10.139 (0.212)	0.0727 (0.232)	0.146 (0.281)	0.218 (0.284)	0.229 (0.282)	0.204 (0.288)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.002	0.001	10.005	10.003	0.007	0.014	0.015	0.034	0.026	0.033	0.047	0.043

**TABLE 4.16 OLS Results: dependent variable: Comfortable going to the neighborhood village without asking for permission**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Microcredit borrower	0.0159 (0.0157)	0.0309 (0.0222)	0.0336 (0.0229)	0.0319 (0.0231)	0.0315 (0.0232)	0.0317 (0.0234)	0.0316 (0.0234)	0.0306 (0.0231)	0.0300 (0.0240)	0.0290 (0.0241)	0.0289 (0.0242)	0.0277 (0.0241)
Years of Microcredit Program Membership		10.00136 (0.00143)	10.00186 (0.00175)	10.00185 (0.00175)	10.00177 (0.00177)	10.00177 (0.00178)	10.00173 (0.00179)	10.00201 (0.00177)	10.00172 (0.00184)	10.00170 (0.00185)	10.00171 (0.00185)	10.00153 (0.00186)
Age			0.000440 (0.000893)	0.000522 (0.000903)	0.000491 (0.000910)	0.000495 (0.000914)	0.000489 (0.000916)	0.000678 (0.000904)	0.000614 (0.000955)	0.000818 (0.00104)	0.000820 (0.00104)	0.00135 (0.00111)
Education				10.0119 (0.0179)	10.0112 (0.0181)	10.0108 (0.0185)	10.0107 (0.0185)	10.00965 (0.0182)	10.00760 (0.0191)	10.00702 (0.0192)	10.00663 (0.0194)	10.0103 (0.0195)
Expenditure					10.00688 (0.0214)	10.00687 (0.0215)	10.00612 (0.0218)	10.00864 (0.0215)	10.00439 (0.0223)	10.00530 (0.0224)	10.00572 (0.0226)	10.000101 (0.0229)
Agricultural Work						0.00166 (0.0156)	0.000960 (0.0159)	10.0722* (0.0318)	10.0714* (0.0323)	10.0710* (0.0323)	10.0714* (0.0325)	10.0926* (0.0361)
Own Business							10.00757 (0.0339)	10.0790 (0.0429)	10.0827 (0.0437)	10.0837 (0.0438)	10.0850 (0.0445)	10.0905* (0.0446)
Husband's Business								10.0841** (0.0318)	10.0841** (0.0323)	10.0862** (0.0326)	10.0866** (0.0327)	10.108** (0.0364)
Age of Marriage									10.00325 (0.00325)	10.00334 (0.00326)	10.00333 (0.00327)	10.00386 (0.00329)
Number of Children										10.00363 (0.00707)	10.00380 (0.00715)	10.00309 (0.00715)
Household Land ownership											0.00413 (0.0224)	0.00563 (0.0224)
Number of Income earners in the Household												10.0188 (0.0141)
_cons	12.60e117 (0.0128)	5.20e118 (0.0128)	10.0131 (0.0296)	10.0120 (0.0296)	0.00457 (0.0596)	0.00338 (0.0608)	0.00228 (0.0612)	0.0773 (0.0665)	0.116 (0.0806)	0.124 (0.0819)	0.124 (0.0822)	0.146 (0.0836)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. Rsq	0.000	10.000	10.004	10.007	10.012	10.018	10.023	0.010	0.009	0.005	10.001	0.004

**TABLE 4.17 First stage regressions, Household Landownership as potential instrument/dependent Variable: Microcredit borrower**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Household Landownership	0.119 (0.0976)	0.0873 (0.0945)	0.0690 (0.0943)	0.0626 (0.0951)	0.0686 (0.0944)	0.0508 (0.0960)	0.0543 (0.0960)	0.0495 (0.0962)	0.0660 (0.0967)	0.0646 (0.0971)
Age		0.0121*** (0.00314)	0.0130*** (0.00315)	0.0130*** (0.00315)	0.0123*** (0.00315)	0.0121*** (0.00315)	0.0122*** (0.00325)	0.0108** (0.00413)	0.0130***	0.0125** (0.00313)
Education			/0.151 (0.0785)	/0.157* (0.0794)	/0.184* (0.0798)	/0.186* (0.0799)	/0.182* (0.0799)	/0.185* (0.0825)	/0.175* (0.0827)	/0.171* (0.0838)
Expenditure				0.0541 (0.0941)	0.0509 (0.0933)	0.0361 (0.0945)	0.0301 (0.0945)	0.00470 (0.0972)	/0.00720 (0.0973)	/0.0122 (0.0994)
Agricultural work					/0.136* (0.0673)	/0.120 (0.0690)	/0.255 (0.139)	/0.240 (0.139)	/0.235 (0.139)	/0.216 (0.156)
Own Business						0.150 (0.149)	0.0152 (0.192)	0.03388 (0.193)	0.0223 (0.192)	0.0268 (0.194)
Husband's Business							/0.155 (0.140)	/0.142 (0.140)	/0.165 (0.141)	/0.147 (0.158)
Age of Marriage								0.0158 (0.0139)	0.0148 (0.0139)	0.0152 (0.0140)
Number of Children									/0.0420 (0.0307)	/0.0426 (0.0309)
Number of Income earners in the Household										0.0164 (0.0610)
_cons	0.626*** (0.0459)	0.225* (0.113)	0.236* (0.112)	0.112 (0.243)	0.212 (0.246)	0.242 (0.246)	0.385 (0.280)	0.254 (0.327)	0.331 (0.331)	0.314 (0.337)
N	190	190	190	190	190	190	190	190	190	190
Adj. R <sup>2</sup> /sq	0.003	0.071	0.085	0.081	0.096	0.096	0.098	0.073	0.078	0.073

**TABLE-4.18 First-stage regressions, Distance to Branch office as potential instrument, dependent variable: Micro credit borrower**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Distance to
Branch office	.000475 (0.0111)	.000260 (0.0108)	.000806 (0.0110)	.000590 (0.0129)	.000153 (0.0130)	.000229 (0.0130)	.000315 (0.0130)	.0000721 (0.0136)	0.000927 (0.0137)		
Age		0.0123*** (0.00314)	0.0132*** (0.00314)	0.0132*** (0.00314)	0.0125*** (0.00324)	0.0123*** (0.00324)	0.0124*** (0.00366)	0.0109*** (0.00414)	0.0131*** (0.00313)	0.0125** (0.00313)	
Education			.0171* (0.0805)	.0171* (0.0805)	.0192* (0.0807)	.0193* (0.0806)	.0191* (0.0806)	.0190* (0.0833)	.0181* (0.0834)	.0176* (0.0847)	(0.0803)
Expenditure				0.0350 (0.109)	0.0521 (0.111)	0.0300 (0.111)	0.0205 (0.111)	0.00629 (0.112)	0.00274 (0.112)	.0.00252 (0.114)	(0.110)
Agricultural work					.0.133 (0.0700)	.0.115 (0.139)	.0.248 (0.139)	.0.235 (0.139)	.0.229 (0.139)	.0.208 (0.156)	(0.0684)
Own Business						0.166 (0.190)	0.0330 (0.190)	0.0546 (0.190)	0.0444 (0.190)	0.0491 (0.191)	(0.147)
Husband's Business							.0.155 (0.140)	.0.140 (0.141)	.0.160 (0.141)	.0.139 (0.158)	(0.140)
Age of Marriage							0.0155 (0.0142)	0.0148 (0.0143)	0.0153 (0.0143)		(0.0142)
Number of Children								.0.0395 (0.0308)		.0.0403 (0.0307)	
Number of Income earners in the Household											0.0187 (0.0610)
_cons	0.685*** (0.0615)	0.256* (0.124)	0.293* (0.124)	0.200 (0.316)	0.230 (0.314)	0.276 (0.316)	0.431 (0.346)	0.266 (0.407)	0.311 (0.408)	0.289 (0.415)	
N	190	190	190	190	190	190	190	190	190	190	
Adj. R.sq	.0004	0.068	0.085	0.080	0.094	0.095	0.096	0.072	0.075	0.070	

#### **4.2 Limitations with the control group methodology**

The conceivable restrictions with the control bunch technique can be partitioned into four diverse classifications: test choice inclination, reverse causation, dropouts and, motivational issues. Test determination predisposition alludes to the situation where the control gathering may turn out not to be totally similar with the medicine bunch. In different words, there will be a plausibility that the study experiences inclination due to endogeneity of choices included in program interest and the surreptitiously family unit, individual, and territory qualities. A fundamental concern in evaluating the sway of micro credit will be that program arrangement will be non-irregular and members self-select themselves into the micro credit program (A. Islam, 2007, p. 12). A prospective part chooses that he or she needs to take an interest in the micro credit program. The potential member likewise need to be endorsed by authorities of the microfinance establishment. Subsequently, there will be likely to be detectable and undetectable contrasts in qualities between members and non-members. Borrowers might, for instance, have a more entrepreneurial soul or be more committed. On the off chance that the medication bunch (the borrowers) have a inclination to have a property which will be not normally controlled for (such as entrepreneurial capability), the correlation between the medicine gathering and the control gathering will be pre-depositioned since it will attribute accomplishments to the micro credit program that will be in certainty in part due to previous characteristics of the medication bunch. With a specific end goal to assess the project appropriately it is required to consider potential determination predisposition that could emerge for non-arbitrary arrangements of the micro credit system, and basic town particular, family particular and singular particular inconspicuous aspects (Hulme, 2000, p. 84, 85). To dodge inclinations that emerge due to previous characteristics this study use impending micro credit borrowers, acknowledged borrowers who have not yet gained a credit, as the control bunch. This study contends that acknowledged impending micro credit borrowers who have not yet accepted micro credit ought to have comparative entrepreneurial capability and commitment as the individuals who will be as of now micro credit borrowers. To bargain with town particular imperceptible aspects, the forthcoming micro credit borrowers and micro credit borrowers originate from the same towns.

The second potential problem with the control group method is reverse causation, which refers to the situation where some of the independent variables are endogenous. This might be the case when the dependent variable causes at least one of the

independent variables, when there are relevant independent variables omitted from the model, or when the independent variables are subject to measurement error (Hulme, 2000, p. 85). Reverse causation is likely to be an issue given the model specification presented earlier. Observing that micro credit borrowers are more empowered than soon to be micro credit borrowers does not necessarily imply that micro credit made borrowers more empowered. For example, if a woman benefits from micro credit she is more likely to become empowered, but she is more likely to benefit from the micro credit if she is empowered.

Thus, the causal link could run from empowerment to benefit of micro credit, not the other way around. Using instrumental variables is a common approach to tackle the issue of endogeneity. This approach addresses the potential problem of reverse causation described above, but it is difficult to find suitable instruments. The instruments must both be uncorrelated with the dependent variable (empowerment index) and correlated with the variable that is suspected of being endogenous (micro credit). Given the number of different empowerment indicators encompassed in the empowerment index, and based on the small data, there does not appear to be any variable suitable to be an instrument for the potential endogenous variable. A review of studies with similar methodological approach used in this study shows that little effort has been devoted to examining the potential of endogeneity bias. This suggests that endogeneity is complicated to handle due to lack of data or not a severe concern in this kind of studies (see for example, Hashemi, Schuler, and Riley 1996).

The third potential problem with using the control group method is referred to as the dropout problem. Dropouts can cause an incomplete bias due to the fact that those who drop out presumably were impacted differently than those who remainder. Those who benefit from participation in a micro credit program invest the micro credit they are given in their business and generate more additional income than the interest they pay back on their loan. Most of these people stay in the micro credit program. Those who are made worse off fail to invest the money and then drop out. By including only those who remain in the program in the treatment group, those who suffer negative impact are ignored. This would lead to an overestimation impact analysis of the micro credit program. However, dropouts can also be generated by success. After successfully improving their business, they develop their own saving, and do not longer need micro credit and therefore leave the program. In this scenario, the impact analysis of the micro credit program would underestimate the impact since the greatest successes are ignored



in the analysis. A potential solution to the dropout problem is to replace the dropouts with individuals sampled at random from the original population (Hulme, 2000, p.).

The fourth potential problem with using the control group method is referred to as the motivational problem. It might be the case that the treatment group and/or the control group refuse to reply or feel uncomfortable speaking about topics that are “taboo” in society. Another challenge is to be able to motivate the control group to respond to the questionnaire. The control group has no connection to the program evaluated, and their incentives to cooperate are low (Hulme, 2000, p. 90). This study approaches this potential problem by letting the control group be individuals who have been approved for micro credit but has not yet received micro credit. Consequently, this study argues that this group of soon to be micro credit borrowers should be as motivated to respond to the questionnaire as the treatment group.

#### **4.3 Conclusions**

Following this thesis theoretical framework, the hypotheses of this study is that the micro credit variables (micro credit borrower and years of micro credit program membership) will have a positive effect on women empowerment, i.e. their coefficients are positive for women’s empowerment. However, it is possible that they differ in their effects. A combination of women's increased economic activity and control over income resulting from micro credit is expected to improve women's decision making power, ownership of assets, mobility, and voice. In the context of Bangalore, there are certain structural inequalities and social norms that reinforce the subservient position within the household and the community. This study doesn’t suggest that micro credit will completely reverse these structural inequalities prevalent in the society. However, this study expects that micro credit will help women in contesting those prescribed gender rules and, hence, lead to greater empowerment.

There may be other factors that can have an impact on women empowerment, and these variables are needed to control for. These independent variables are corresponding to the questions asked in the questionnaire and can be divided into two subgroups: individual and household characteristics. Individual characteristics include age, marital status, education, agricultural work, own business, husband’s business. Household characteristics include expenditure, landownership, number of children, and number of income earners in the household.

Age can be both positively and negatively related to women’s empowerment. It may be the case that younger females, because of their low age, lack power within the

household and society. It may also be the case that older women are dependent on their husband's or sons for support. Age at marriage is seen as positively related to women's empowerment. This study argues that a woman that gets married at an high age are more prone to enabling herself through education and work, and not getting stuck in a childbearing and dependent state at an low age. Education is chosen to represent whether educated respondents are more or less empowered compared to uneducated respondents. It is expected that education can be both positively and negatively related to empowerment. Agricultural work is expected to have a negative impact on women empowerment since the agricultural sector, in general, brings low income which in turn may put women in a dependent state. Own business is expected to have a positive effect on women empowerment since this study assumes that a woman who has her own business is likely to control both her income and a potential micro credit. On the contrary, husband's business is expected to have a negative impact on women empowerment. A potential scenario for a woman who works in her husband's business is that she receives micro credit, which is invested in her husband's business. Thus, she loses control over both the micro credit and potentially her income. This study suggests that expenditure and land ownership can to some extent determine the household's standard of living. Both these variables are expected to have a positive effect on women empowerment since standard of living is negatively associated with the number of children in the household. A high number of children in the household bring, in general, a higher domestic workload for the woman. Thus, she is less likely to generate her own income and is put in a state of dependence. There is no explicit expectation on the sign of the coefficient linked to the number of income earners in the household. It can be argued that it can take a positive value since a household with more income earners can have a higher standard of living and are therefore more empowered following the earlier reasoning. On the other hand, it can be argued that it can take a negative value since more income earners in the household can lead to less decision making power over household expenditure, thus, negatively effecting women's empowerment.

A summary of the independent variables, including its definition and expected impact on empowerment, is shown in table below.

**Table 4.19- Summary of the expected impacts on Empowerment :-**

<b>Parameter</b>	<b>Definition</b>	<b>Impact</b>
Micro credit borrower	The respondent has received micro credit	+(Positive effect)
Years of Micro credit program membership	Number of years of micro credit program Membership	+ (Positive effect)
Age	Age of customers who are availing micro- finance in years	+/- ( No effect)
Education	Education qualification of the respondent	+/- ( No effect)
Expenditure	Monthly household expenditure	+ (Positive effect)
Agricultural Work	The respondents income earning activity is Agricultural	-(Negative effect)
Own Business	The respondents income earning activity is her Own business	+ (Positive effect)
Husband's Business	The respondents income earning activity is her husband's business	-(Negative effect)
Household Land Ownership	Land ownership is defined in terms of acres	+ (Positive effect)
Age at Marriage	The age at which the respondent got married	+ (Positive effect)
Number of Children	The number of children the respondent has	-(Negative effect)
Number of Income Earners in the Household	The number of income earners in the household	+/- ( No effect)

## **Chapter-5**

### **DISCUSSIONS & CONCLUSIONS**

In this chapter the interpretations of analysis have been discussed. With the help of qualitative analysis conclusions have been drawn. The conclusions of this research study are presented in this chapter.

#### **5.1 Regression Results**

This chapter is separated into two main parts. The first part evaluates the impact of micro credit on empowerment. The second part evaluates the impact of micro credit on the different subgroups of empowerment presented in the chapter.

#### **5.2 Empowerment**

The OLS model, in its most basic form, only includes the dependent variable empowerment index and the independent variable micro credit borrower. The model has been formed by gradually by adding one independent variable at a time. This has been done to see how the relationship between micro credit and women empowerment changes when independent variables are added. The broad picture that emerges from the OLS results in Table below is that micro credit seems to have a significant positive effect on women's empowerment. Although the magnitude of the effect depends on the set of controls used, micro credit increases the level of empowerment. The estimated effect from the most complete specification including both individual and household characteristics is statistically significant at the 5 percent level. In terms of magnitude, the empowerment index is expected to increase, on average, with 1.6 points if the respondent has received micro credit in the most basic OLS model without other independent control variables. In the most comprehensive model, the empowerment index is expected to increase, on average, with 1 point holding all the other independent control variables constant. The pattern of estimates and significant level across different sets of independent control variables indicates that the estimate for micro credit on women's empowerment is robust. Furthermore, it was expected that the number of years of micro credit membership was going to have a positive impact on women empowerment. The results in table below tell us that the length of micro credit membership is positively correlated with women empowerment. A potential explanation might be that the initial micro credit given enhances a women's empowerment the most. The additional micro credits given over the years brings more value to women's empowerment. (Table5.1).

Table 5.1: OLS Results (dependent variable: Empowerment index)												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
borrower	1.636*** (0.305)	1.322** (0.431)	1.389** (0.444)	1.432** (0.447)	1.506*** (0.441)	1.453** (0.442)	1.473*** (0.431)	1.445*** (0.416)	1.112** (0.395)	1.065*** (0.396)	1.051** (0.393)	1.030** (0.392)
YearsofMicrocreditProgram Membership		0.0285 (0.0339)	0.0163 (0.0339)	0.0161 (0.0337)	0.00368 (0.0337)	0.00273 (0.0330)	0.000872 (0.0319)	0.00161 (0.0304)	0.00130 (0.0303)	0.00119 (0.0301)	0.00132 (0.0301)	0.0101 (0.0276)
Age			0.0108 (0.0175)	0.00869 (0.0173)	0.0136 (0.0173)	0.0125 (0.0169)	0.0140 (0.0163)	0.0189 (0.0157)	0.00770 (0.0170)	0.0164 (0.0169)	0.0167 (0.0180)	0.0261 (0.0173)
Education				0.307 (0.344)	0.190 (0.344)	0.1000 (0.350)	0.0781 (0.341)	0.105 (0.329)	0.107 (0.315)	0.132 (0.315)	0.194 (0.315)	0.130 (0.317)
Expenditure					1.055* (0.406)	1.054* (0.401)	0.851* (0.401)	0.786* (0.388)	0.546 (0.367)	0.507 (0.368)	0.440 (0.367)	0.539 (0.372)
Agricultural Work						00.396	00.209 (0.293)	02.111*** (0.573)	02.032*** (0.531)	02.014*** (0.530)	02.077*** (0.528)	02.450*** (0.585)
Own Business							2.019** (0.775)	0.161 (0.775)	0.367 (0.720)	0.326 (0.719)	0.109 (0.724)	0.0133 (0.725)
Husband's Business								02.188*** (0.532)	02.125*** (0.532)	02.213*** (0.535)	02.267*** (0.532)	02.645*** (0.591)
AgeofMarriage									0.149** (0.0536)	0.146** (0.0532)	0.147** (0.0534)	0.138* (0.0536)
NumberofChildren										00.155	00.182 (0.116)	0.170 (0.116)
HouseholdLandownership										0.662 (0.363)	0.689 (0.363)	
NumberofIncome earnersin the Household												00.332 (0.228)
_cons	5.047*** (0.248)	5.047*** (0.248)	4.724*** (0.573)	4.697*** (0.574)	2.148 (1.134)	2.434* (1.152)	2.727* (1.127)	4.677*** (1.201)	3.579** (1.328)	3.885** (1.344)	3.936** (1.336)	4.324** (1.358)
N	190	190	190	190	190	190	190	190	190	190	190	190
Adj. R0sq	0.128	0.129	0.126	0.125	0.151	0.155	0.196	0.252	0.257	0.260	0.270	0.275

Standard errors in parentheses  
\* means statistically significant at 10%, \*\* means statistically significant at 5%, \*\*\* means statistically significant at 1%.

Also, age of women seems to have a significant effect on women empowerment. This shows the importance of enforcing the existing law on delaying the age of marriage for continuous women empowerment in Bangalore. Agricultural work and husband's business seem to be negatively correlated with women empowerment. A potential explanation is that a woman engaged in agricultural activities, in most cases, earns little income. In turn, this might put that woman in a state of economic dependency towards her husband. A reason why woman working for her husband is less empowered might be because she has lost control over her income and potentially her micro credit to her husband.

The results steaming from table 5.1 confirms the notion that micro credit has a positive impact on women empowerment. However, these results do not tell us in what way micro credit has a positive impact on women's empowerment. To get insight in this matter, the impact of micro credit is examined on each of the empowerment indicators.

### **5.2.a Subgroups of Empowerment**

The OLS models in this section are, like in the previous section, built up gradually by adding one independent control variable at a time. The dependent variable is no longer empowerment index. Instead, each of the empowerment indicators is the dependent variable one at the time. This section is divided into the four subgroups of empowerment, namely decision making power within the household, ownership of assets, voice, and mobility.

### **5.2.b Decision-making power within the household**

Decision making power within the household is the subgroup that shows the amount of say the woman has in household decisions. Decision making power is in turn divided into the following six separate indicators: ability to make small purchases, involved in decision to make large purchases, involved in decision to work outside the home, involved in decision on how many children to have, involved in decision to buy or sell property, and involved in decision to send children to school. Micro credit seem to be significantly positive correlated with ability to make small purchases, involved in decision on how many children to have, and involved in decision to work outside the home at the 10 percent significance level in the simplest model without independent control variables. When the independent control variables are added to the model, micro credit is no longer significantly correlated to the empowerment indicators

presented above. This suggest that the relationship between micro credit and ability to make small purchases, involved in decision on how many children to have, and involved in decision to work outside the home is not very robust.

Testing the relationship between micro credit and involved in decision to send children to school, it is found in the simplest model, without independent control variables, that micro credit is significantly positive at the 1 percent level. When each control variable is added, the effect of micro credit on involved in decision to send children to school gets less significant. In the model with all independent control variables, the relationship is no longer significant. This suggests that the independent control variables affect the dependent variable involved in decision to send children to school. Thus, the relationship between micro credit and involved in decision to send children to school is not as robust as seen in the simplest model without independent control variables. Micro credit shows a positive significant impact at the 10 significant percent level on involved in decision to buy or sell property. This is the case models, from the model without independent control variables to the model with all the independent control variables. This suggests that the relationship is robust. However, micro credit did not show significant impact on involved in decision to make large purchases, even in the simplest model without independent control variables. These decisions, which have traditionally been within the male domain, reflect that although the women have enhanced their Decision making power, micro credit have not been able to make substantial impact in this key area. The variable husband's business show a significant negative impact on Involved in decision to make large purchases, ability to make small purchases, Involved in decision to work outside the home. On the other hand, the independent variable age of marriage is significantly positive to involved in decision to buy or sell property, involved in decision on how many children to have, and involved in decision to make large purchases. The OLS models for ability to make small purchases, involved in decision to make large purchases, involved in decision to work outside the home, involved in decision on how many children to have, involved in decision to buy or sell property, and involved in decision to send children to school.

### **5.2.c Ownership of assets**

The subgroup ownership of assets shows if a woman owns land or any other property or valuable. This is measured in terms of own landownership, ownership of property and/or valuables, and independent savings. Micro credit shows to have no significant

positive (or negative) impact on landownership in own name and personally own property and/or valuable. On the contrary, the positive relationship between micro credit and independent savings is significant at the 1 percent level in all the models, from the most basic without independent control variables to the most comprehensive model with all the independent control variables. This suggests that the relationship is robust. An explanation might be that the micro credit borrowers have built up a trust and relationship with the micro credit program, and thus been able to access the other financial services offered by the microfinance institutions. The soon to be micro credit borrowers have not yet built up this trust and relationship. Age, age of marriage and own business is positive significant, in most of the models, in explaining landownership in own name. In the case of ownership of assets, it seems as household traits and traditions are more important than micro credit. The OLS models for own landownership, ownership of property and/or valuables, and independent savings.

#### **5.2.d Voice**

Voice is a variable showing the woman's freedom of expression, if she is able to express her views in the presence of her husband, family members and others. Voice is examined via two variables: comfortable giving opinion in the presence of husband or other family member and village people listen to ideas and opinions. Micro credit is a positive significant explanatory variable in the most basic model without independent control variables for both comfortable giving opinion in the presence of family member and Village people listen to ideas and opinions. However, the relationship seems not to be that strong since when independent control variables are added, the relationships are no longer significant. Furthermore, expenditure seem to be positively correlated with comfortable giving opinion in the presence of family member while number of children is negatively significant in explaining comfortable giving opinion in the presence of family members. The OLS models for comfortable giving opinion in the presence of husband or family member and Village people listen to ideas and opinions.

#### **5.2.e Mobility**

Mobility is the subgroup that defines a women's freedom of movement. Mobility is divided into two indicators: comfortable going to the local market without asking for permission and comfortable going to the neighbourhood village without asking for permission. Micro credit shows no significant relationship to either comfortable going



to the local market without asking for permission or comfortable going to the neighbourhood village without asking for permission. Both micro credit borrowers and soon to be micro credit borrowers are highly restricted in their freedom of movement. Also, husband's business and agricultural work is negatively significant in explaining both comfortable going to the local market without asking for permission and comfortable going to the neighbourhood village without asking for permission. This might be explained by the fact that most of the individuals involved in the agricultural activities live in their home village. Thus, a person whose income earning activity is located in, for example, another village is consequently more mobile. The OLS models for comfortable going to the local market without asking for permission and comfortable going to the neighbourhood village without asking for permission.

This study empirically evaluates the effect of micro credit on women empowerment in the Gramin Koota of Bangalore. The findings, derived from the OLS models, suggest that micro credit has a positive effect on women empowerment indicate that micro credit strengthens women's family standing represented by their greater role in the household decision making process. The result that micro credit has a significant effect on women's decision making ability within the household is in line with the findings from Holvoet (2005) and Kabeer (2001). However, the effect of micro credit on women's freedom of mobility is indistinct based on the empirical results. This suggests that it would be relevant to further investigate how micro credit effects different dimensions of women empowerment to improve the potential of micro credit as an empowerment tool.

Years of microcredit program membership has a positive impact on empowerment. Thus, there is room for empowerment related improvements within the micro credit programs. This study therefore suggests that more studies should evaluate the relationship between years of micro credit program membership and women's empowerment in the future. It is important to keep in mind that a quantitative analysis of aggregated data has its limitations. Reality is not easily captured in numbers and most quantitative analysis is required to some simplification and generalization. This does not render the results meaningless, but they are to be interpreted carefully. Since this study was based on a small sample size from only a few villages Under Grameen Koota of Bangalore the results cannot be generalized to other districts of Bangalore.

More extensive studies that include a larger sample size from different districts could further shed light on how micro credit affects women empowerment.

### **5.3 Conclusions**

**Based on the above discussions it has been found that the following conclusions have been drawn:**

#### **5.3.1 Factors which have significant (positive) effect on Empowerment**

- a) The findings derived from the OLS models, suggest that micro credit has a significant (positive) effect on women's empowerment. It indicates that micro-credit strengthens women's family standing which is reflected by their greater role in making the household decision. Similar work has also been done by SWAIN, R, L. Mayoux, Salman Asim, Ranjula Bali and many others. They have also concluded that there is a Positive effect on women empowerment with microfinance schemes.
- b) The findings derived suggest that number of years of micro credit membership has significant (positive) effect. It has also been seen that the micro credit borrowers have built up a trust and relationship with the micro credit program over time, and thus been able to access the other financial services offered by the microfinance institutions. The soon to be micro credit borrowers have not yet built up this trust and relationship. Similarly, Prema Basargekar, Chowdhury J, DEININGER, K. & LIU, Y and many others have also concluded that with mature groups microcredit can have economic benefits in the long run.
- c) The findings show that expenditure seems to be positively correlated with microfinance. Women having microcredit facility are more comfortable in spending the money and fulfilling their financial needs. Similarly, Jyoti Prakash Basu, Sarahat Salma Chowdhury and others have also concluded the same.
- d) The finding show that Age of marriage and Own business has significant (positive) effect on Women empowerment. And similar conclusions have been drawn by Kazi Abdur Rouf and others.

- e) In the case of Household Land Ownership of assets the same is having significant effect on Women empowerment. Similar conclusions have been drawn by Sureswari Prasad Das, Gerald Pollio and James Obuobie (2010) and many others.

### **5.3.2 Factors which have Negative effect on Empowerment**

- a) The findings show that the agricultural work is negatively significant with women empowerment. Unlike, A.K. Makar who showed that it has a significant effect.
- b) The findings show that the Husband's business is negatively significant with empowerment. As the microcredit is availed by the husband and the women involved has no benefits.
- c) It has been seen that number of children is negatively significant with microcredit. The involvement in decisions on how many children to have is not very robust. Unlike, Abhijit V Banerjee (2011) who showed that it has significant effect.

### **5.3.3 Factors which have No effect on Empowerment :**

- a) The findings show that the age of customers who are availing the Microfinance has no significant effect on empowerment. Unlike, Sayma Rahman et al (2010) who showed that age has a Negative effect and Linda Mayoux (1999) who showed that age has a Positive effect.
- b) The findings show that the educational qualification has no significant effect on empowerment. Unlike, Linda Mayoux, who has shown that educational qualification has positive effect.
- c) The findings show that the number of income earners in the household has no significant effect on empowerment. Unlike, Vachya Lavori (2014) who has shown that the number of income earners has a positive effect.

## **5.4 Recommendations**

**The following are the recommendations based on the results of this study:**

- a) As depicted by this study that there is a significant effect on women empowerment with microfinance scheme. Thus, the borrowers can avail microfinance as far as possible.

- b) The study has depicted that there is a significant effect of empowerment on women with the number of years of microcredit membership. Thus, women can be associated with the Microfinance for longer time.
- c) The study has depicted that there is significant effect of empowerment on monthly household expenditure on women empowerment. Thus, women can be more comfortable in fulfilling their financial needs with microcredit facility.
- d) The study has depicted that there is significant effect of empowerment on women doing own business. Thus, income earning ability of a women increases when she directly invests money for herself.
- e) The study has depicted that there is significant effect of empowerment on the small land holdings on women empowerment. Thus, women can buy more equipments for their farm which would further increase their income and thus, be more empowered.
- f) It has been depicted in the study that the age at which the respondent has got married has a significant effect on women empowerment. Thus, it is recommended to lend more to seasoned women as they would be able to utilise the funds more judiciously.
- g) The study has depicted that the companies can also prefer the customers having the above mentioned characteristics. They should provide some additional benefits in the loan schemes to make them lucrative for customers, like they should provide additional EL (Emergency Loan), for the purposes of paying electricity bills, school fees, insurance etc.

## **5.5 Directions for future research**

- 1) This study was done in Bangalore, Karnataka only, it could have been done in 2-3 neighbouring states like Andhra Pradesh etc. thus, there is no Comparative Analysis. This should be studied in the future studies.
- 2) In this study only one Micro Finance Institution has been studied sample size was small. Further research can be carried out for more Financial Institutes.
- 3) There is no Comparison made in this study with regards to North India. Comparative Analysis can be done between North India and South India in future research.
- 4) In this study only women customers have been studied, men customers should also be studied.
- 5) In this study the effect of availing Microfinance was not studied with regards the living standard of the women customers before and after availing Micro Finance. Thus, the same can be studied.
- 6) In this study ordinal scale has been used, however, studies can be done using other ranking scales like interval scale in data collection.

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ANNEXURE-1  
**QUESTIONNAIRE**

**AGE**

**NAME**

**MARITAL STATUS**

**EDUCATION**

Q 1) What is the Annual Income of your Husband ?

a) less than 10,000 b) 10,000 to 30,000 c) above 30,000

Q2) Is your husband employed?

a) Yes b) No

Q 3) Why? What does he do?

Q4) What is the Annual Income after the loan ?

a) less than 10,000 b) 10,000 to 30,000 c) above 30,000

Q5) How many types of Income do you have?

a) 0-1 b) 1-2 c) 2-3 d) above 3

Q6) What is the expenditure of the house per month ?

a) 500- 1000 b) 1000-2000 c) above 2000

Q7) Do you know how much your husband earns per month ?

a) Yes b) No

Q8) What is the Income of the house per day?

a) Less than 100 b) 100-500 c) 500-1000 d) above 1000

Q9.) Is your husband having more than one employment?

- a) Yes                      b) No

Q10) What does he do?

Q11) What do you do?

- a)

Q12) Do you have children?

- a) Yes   b) No

Q13) How many children do you have and how old?

Q14) What do they do when you work ?

- a) Go to school   b) at Home   c) any other

Q15) What did you do before taking the loan?

Q16) What is the household expenditure on

- a) Food
- b) Clothes
- c) House rent
- d) Other expenditure

Q17) Do you have any savings in Bank ? (short-term)

- a) Yes                      b) No

Q18) Where and how much ?

Q19) Do you have any savings in Post Office etc.? (long-term)

- a) Yes                      b) No

Q20) How long have you been associated with this company ?

- a) 0-6 mths    b) 6mths- 12 mths    c) 12 mths-18 mths   d) above 18 mths.

Q21) What did you do before this?

Q22) How many loan cycles have you completed ?

- a) 1-2              b) 2-3              c) 3-4              d) > 4

Q23) What did you do with the loan?

- a) Investment
- b) Consumption
- c) Or both partly
- d) Others

Q24) How much of loan Consumption is spent on?

- a) Food
- b) Education
- c) Medical
- d) Other investments

Q25) Are you able to make repayment ?

- a) Yes                      b) No

Q26) Do you feel pressure at the time of paying?

- a) Yes                      b) No

Q27) Are you able to make profit out of loan?

- a) Yes                      b) No

Q28) If No ? Why?

Q29) If yes, what are you able to do with the profit?

- a) Reinvestment      b) Consumption

Q30) Who decides on the use of loan ?

- a) husband      b) wife              c) jointly

Q31) Has the loan facility increased your workload than before ?

- a) Yes                      b) No

Q32) If you go to the market area can you do it alone?

- a) Yes                      b) No

Q33) Do you own any asset? If yes, house, piece of land, jewellery or cash?

- a) Yes                      b) No

Q37) Do you make any small purchase for yourself?

- a) Yes                      b) No

Q38) Do anybody in the house take money from you?

- a) Yes                      b) No

Q39) Does anyone in the house/village prevents from working out?

- a) Yes                      b) No

Q40) Does your husband treat you better now?

- a) Yes                      b) No

Q41) Do you want the loan facility to continue ? If yes, then why?

- a) Yes                      b) No